Daily Report

Latin America

FBIS-LAT-90-104
Wednesday
30 May 1990

Daily Report
Latin America

FBIS-LAT-90-104 *30 May 1990*

CONTENTS

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

CARIBBEAN

Cuba

Commentary on Upcoming Bush-Gorbachev Summit *[Havana TV]* 1
Brady Plan Criticized as 'Kind of Blackmail' *[Havana International]* 1
Gerasimov Reaffirms Soviet Economic Relations *[Havana TV]* 2
Communications Protocol Signed With USSR *[Havana TV]* 2
Organizing Commission for PCC Congress Formed *[Havana International]* 2
U.S. Interests Official Cited on Drug Trial *[Havana Radio]* 2
Further on Trial *[Havana TV]* 3
Tomas Borge Interviewed on Nicaraguan Situation *[Havana TV]* 3
Commentary on Possibilities of Salvadoran Peace *[Havana International]* 3
* Pace of Spare Parts Recovery Effort Criticized *[JUVENTUD REBELDE 10 Apr]* 4

Dominica

Charles' DFP Embarks on Third Straight Term *[CANA]* 5

Dominican Republic

Balaguer Declared President by Electoral Board *[Santo Domingo Radio]* 5
Two More Officials Appointed *[Santo Domingo Radio]* 5
Vote Abstention Rate Highest in Nation's History *[Santo Domingo Radio]* 5
Election Verification Process Begins *[Santo Domingo Radio]* 5
JCE's Tavares Responds to Bosch Accusations *[Santo Domingo Radio]* 6
PLD Advised To Produce Evidence of 'Fraud' *[Santo Domingo Radio]* 6
Revolutionary Party To Support Election Results *[Santo Domingo Radio]* 6

Jamaica

Manley Hospitalized, Transferred to Miami *[CANA]* 6

MEXICO

Chamber of Deputies Protests Machain 'Kidnapping' *[Mexico City TV]* 7
Salinas Comments on Case *[NOTIMEX]* 7
Further on Comments *[Mexico City TV]* 7
Arrest, Extradition Requested *[NOTIMEX]* 8
Senators Discuss Trade, Drugs, Other Issues *[Mexico City TV]* 8
Interest in Sending Drug Agents to U.S. Noted *[UNOMASUNO 19 May]* 8

CENTRAL AMERICA

Nicaragua

Government, Contras Resume Disarmament Talks *[ACAN]* 9
Southern Front Cease-Fire Called Until 10 June *[ACAN]* 9
'Development Centers' To Be Established *[ACAN]* 9
FSLN Reportedly Begins 'Internal Restructuring' *[Managua Radio]* 10
RN Representative Acevedo Issues Statement *[Managua Radio]* 10

Ortega Criticizes Government's Economic Measures *[Managua Radio]* 11
Says 'Vengeance' Being Promoted *[Managua Radio]* 11
Independent Poll Says Economy is Premier Problem *[LA PRENSA 19 May]* 12
Labor Ministry Forbids Union-Dues Deductions *[Managua Radio]* 13
Editorial Rebukes Changes to Civil Service Law *[BARRICADA 20 May]* 13
Article Defends Sandinism Against New Government *[EL NUEVO DIARIO 22 May]* 13
Borge Discusses New Government, Other Issues *[Managua Radio]* 14
Supreme Court President Reyes on Judicial Branch *[BARRICADA 23 May]* 18
Chamorro's 'Reconciliation' Called 'Somozism' *[BARRICADA 23 May]* 19

Panama

Attorney General Could Seek Noriega's Extradition *[LA PRENSA 24 May]* 20
Foreign Minister on Future U.S. 'Presence' *[AFP]* 20
Endara, Ford Comment on Approval of U.S. Aid *[Panama City TV]* 21
Civic Crusade Leader Remarks *[Panama City Radio]* 22
Foreign Minister Opposes U.S. 'Patrol' Project *[ACAN]* 22
Comments on Other Issues *[Panama City Radio]* 22
DRP Requests Documents From U.S. Military *[LA PRENSA 18 May]* 23
Bush, Gorbachev Asked To Discuss 'Occupation' *[ACAN]* 24
Commerce Study Reveals Upsurge in Economy *[LA ESTRELLA DE PANAMA 23 May]* 25
Police Director Discusses Public Force, Noriega *[EL SIGLO 21 May]* 25
Commission Created To Review Public Force *[Panama City TV]* 27
Former Public Force Deputy Director Out on Bail *[Panama City Radio]* 27
Arias Calderon Views Government's Achievements *[EL PANAMA AMERICA 20 May]* 27
Arias Calderon on Meeting With Venezuela's Perez
[LA ESTRELLA DE PANAMA 27 May] 29
Bank Accounts of Former President Frozen *[EL SIGLO 25 May]* 30
Former Prosecutor Miranda Discusses Suspension *[Panama City Radio]* 30
Human Rights Group Says 556 Died During Invasion *[LA PRENSA 24 May]* 30
Commentary on Departure of General Cisneros *[EL PERIODICO May]* 31

SOUTH AMERICA

Argentina

Menems Disagree Over Economy, Other Issues *[BUENOS AIRES HERALD 29 May]* 32
Details of Letter of Intent Signed With IMF *[NOTICIAS ARGENTINAS]* 32
Reportage on Visit by PRC President Yang 33
Yang Arrives 26 May *[TELAM]* 33
Meets Menem; Cavallo Comments *[NOTICIAS ARGENTINAS]* 33
Cultural, Visa Agreements Signed *[TELAM]* 33
Details of Cultural Agreement *[TELAM]* 34
News Conference Restricted *[DYN]* 34
Visit Repudiated by Groups *[DYN]* 35
President Menem Departs for Travel Abroad *[TELAM]* 35

Bolivia

Details of Paz-Bush Annex Three Revealed *[La Paz Radio]* 35

Chile

PRC President Yang Arrives on Official Visit *[Santiago Radio]* 36
Events Relating to Aylwin-Pinochet Meeting 37
Government Issues Communique *[Santiago Radio]* 37
Pinochet: Meeting 'Very Cordial' *[Santiago Radio]* 37
Army Issues Communique *[Santiago Radio]* 38
Reaction to Meeting Favorable *[Santiago Radio]* 38
Incident Involving Pinochet Being Investigated *[Santiago TV]* 39
FPMR Claims Fontaine Murder Responsibility *[DYN]* 39

Peru

Garcia on Shining Path's 'Demoralization' *[Lima TV]* 39
Further on Disintegration *[Buenos Aires DYN]* 41
Fredemo Presents Government Program Guidelines *[EL COMERCIO 25 May]* 41
Fujimori Promises Limited 'Privatization' *[Buenos Aires DYN]* 43
Correction on Attempt to Form MRTA 'Army' 44
Correction to Fujimori Wants Three Debates 44

Cuba

Commentary on Upcoming Bush-Gorbachev Summit

FL2805181390 Havana Tele Rebelde Network in Spanish 1153 GMT 28 May 90

[Commentary by Armando Morales]

[Text] The Soviet and U.S. presidents' summit to begin in Washington on 30 May will be the 14th the top leaders of the two superpowers have held since the end of World War II. Six years passed from the time the United States and the USSR signed the SALT II agreements on strategic arms limitations in 1979 and the Geneva summit in 1985. After the Geneva meeting, the talks between the Soviet and U.S. top leaders were held every year, to the relief of humankind, which saw in the meetings that followed a noticeable distancing from nuclear confrontation and the beginning of a new era of understanding, cooperation, and peace.

Despite the slipup Washington allowed itself to make during the Reykjavik summit in 1986 by violating the SALT II Treaty with the placing in operational condition of a B-52 bomber armed with cruise missiles, the following summits had a generally positive outcome for the Soviet Union and the United States. Among those achievements one must recall the INF Treaty reached in 1987 in the Washington summit for the elimination of intermediate-range and strategic missiles. The INF Treaty constituted a historical document because it led to the total elimination of an entire generation of Soviet and U.S. nuclear weapons amounting to over 2,600 rockets between the two countries. The road was paved for new and important progress in disarmament.

The 1988 Moscow summit between Mikhail Gorbachev and then U.S. President Ronald Reagan left, among other things, an agreement for the notification of the launching of short-range ballistic rockets. Also as a result of that meeting, important announcements were made regarding negotiations on nuclear testing and the urgency of the banning of chemical weapons. In December 1989, the rough waters of Marsaxlokk Bay in Malta and two warships were the backdrop of what was called the floating summit, the first one Gorbachev and Bush attended after Bush became U.S. President.

Despite differences of views and the complexity of the subject, progress was made in the Malta meeting with the agreement of a 50-percent reduction of strategic weapons. In the face of a new summit in Washington, specialists are divided on the possibility of the signing of a START Treaty on reduction of strategic weapons and the achievement of specific agreements for the elimination of chemical weapons. All are of the view that the great subject of discussion will be the unification of the Germanys and the opposing views of Washington and Moscow regarding the political and military future of a unified German country.

In recent statements, Soviet Foreign Minister Eduard Shevardnadze characterized as important and fruitful the U.S. visit Gorbachev begins on Wednesday [30 May]. According to signals clearly perceived in Washington, the feeling is that if the Baltic problems are left aside, Soviet-U.S. relations have never been more promising.

The 14th post-war summit is on the path of leading to new mutually beneficial points of contact between Washington and Moscow. Nevertheless, questions being posed by millions of people in the planet are floating in the air: Will there be in Washington a time to reflect on the permanent and growing aggressiveness and hostility of the U.S. Government toward the political and economic processes it has traditionally disliked? What part of detente will the Third World receive?

Before concluding I wanted to announce that the Cuban television news services intend to bring to you details of this summit between the presidents of the Soviet Union and the United States through the reports sent by its special correspondents. The group is composed of a technical team formed by Tomas Oliveros and Jose Tunon and of reporter Carlos Iglesias, and this reporter Armando Morales.

Brady Plan Criticized as 'Kind of Blackmail'

PA2705020890 Havana International Service in Spanish 0100 GMT 17 May 90

["Our America" commentary by Manolo Ortega]

[Text] The issue of foreign debt in Latin America and the Caribbean continues to be an powder keg because it amounts to $429 billion and creditor banks and countries demand that partial payments be made on the overdue amount, even though the area's economies are not in a position to satisfy these demands. With such a situation at hand, the United States, other rich Western countries, and international credit organizations are telling the continent's governments that the famous Brady Plan is the panacea that will resolve their accumulated problems.

The aforementioned plan, conceived by U.S. Treasury Secretary Nicholas Brady, consists of a series of partial and conditioned discounts on the debts of developing countries that accept what some have called a magic formula. However, the plan is far from satisfying Latin America as it will not give the substantial injection of resources demanded by the countries in the region to alleviate their difficult financial situations.

Furthermore, the Brady Plan does not mean that the debtor countries have agreed their banks will reduce the amounts that are pending. The Brady Plan is only a call to private banks to negotiate with the governments of the debtor countries, on a completely voluntary basis, to

arrive at some mechanism that will lessen the debt service burden. Not all countries are eligible to apply for this apparently generous plan—only those that in exchange are willing to accept a strict adjustment program, reduction in public expenditures, privatization of state firms, and more incentives for private capital, especially foreign capital.

The Brady Plan is moving slowly because in practice it only gives limited breathing space to debtors. This fact was recently conceded by the U.S. newspaper, THE JOURNAL OF COMMERCE. The two specialists who signed the newspaper commentary noted that only Mexico has been partially alleviated of its foreign debt thanks to the plan promoted by Nicholas Brady. Nevertheless, they add, the annual interest payments have been reduced by a bit more than 10 percent and Mexico has many pending problems. So, in addition to the social cost of the accepted adjustment program, the country will continue to be burdened with a huge weight of payments that must still be made on the pending debt. To attain sustained growth, Mexico will require a continuous flow of fresh money and few banks are willing to provide these funds.

Because the Brady Plan is selective, the two biggest countries in South America have not been considered immediately suitable for the debt-reduction programs because of their outstanding debts with commercial banks and their battered economies stemming from galloping inflation, budget deficits, and public sectors that the initiative's promoters consider inefficient. The conditioned way in which the U.S. formula is being applied, the preestablished demands that are a kind of blackmail, the dubious advantages of partial reduction of foreign debt, and the social cost of the required adjustment programs are a price that is too high for countries subjected to the Brady Plan. Undoubtedly, the foreign debt is a formidable pressure instrument of the rich over the poor and the former will not allow this precious resource to escape so easily from their hands.

Gerasimov Reaffirms Soviet Economic Relations

FL3005004590 Havana Television Service in Spanish 0000 GMT 30 May 90

[Text] The USSR repeated today its determination to continue to carry out relations with Cuba based on [words indistinct]. Today at UN headquarters in New York, Gennadiy Gerasimov, a spokesman for the Soviet (?Foreign Ministry), rejected any attempt by counterrevolutionary groups of Cuban origin to promote malicious acts and mistrust between the two countries. Gerasimov, who is in the United States as part of his country's delegation to the Soviet-U.S. summit, said that economic relations with Cuba are being carried out on a mutually advantageous basis, and reaffirmed the Soviet desire to continue to increase them.

Communications Protocol Signed With USSR

FL2505203590 Havana Tele Rebelde Network in Spanish 1700 GMT 24 May 90

[Text] A cooperation protocol has been signed by Engineers Gennadiy G. Kudryavtsev, first deputy minister of communications of the USSR, and Manuel O. Garcia, his Cuban counterpart. The signing of the document took place at the end of the eighth meeting of the provisional working group for cooperation in the development of the area. The agreement includes construction of the main cable line for communications between Havana and Santiago de Cuba, modernization of the Caribe earth station, and creation of a national Cuban network of telegraph communications and data transmissions. Included in the cooperation plans are aspects of television development, the production of satellite dish systems, and the establishment of automatic telephone centers in the next five years.

Organizing Commission for PCC Congress Formed

PA2805150990 Havana International Service in Spanish 1400 GMT 27 May 90

[Text] Under the Presidency of top Cuban leader Fidel Castro, the Organizing Commission of the Fourth Congress of the Cuban Communist Party [PCC] was formed, in accordance with the Central Committee's plenum, which took place on 16 February.

In outlining the meeting's conclusions, Fidel Castro stressed the importance of that commission's tasks and the careful way in which the 72 members of that work team were selected. The first secretary of the PCC elaborated on the exceptionally difficult international circumstances that are developing right now for which great efforts are being made, citing as an example the almost-completed sugarcane harvest. Fidel Castro stressed that these are the conditions that prevail as we await the party congress.

Also in keeping with the agreement of the PCC plenum, the Organizing Commission approved the teams that will work on the analysis and preparation of some of the topics to be discussed at the Fourth Congress. The work of the three commissions [as heard] has to do with the fine-tuning of the structure and work of the party, the Union of Young Communists, and the people's power organizations, among others.

U.S. Interests Official Cited on Drug Trial

FL2505234290 Havana Radio Rebelde Network in Spanish 2306 GMT 25 May 90

[Text] William Brencick, first secretary for consular affairs of the U.S. Interests Section in Cuba, has characterized as very clean and just the trial being held in Guantanamo against U.S. citizen William Roger Cooper, veteran of his country's war against Vietnam,

accused of drug trafficking. In statements to the press, Brencick explained that all the sides had worked without any restriction.

He said he was satisfied with the procedures followed by Cuban authorities since the time Cooper was arrested in February 1989, when the vessel in which he was carrying drugs ran aground off the Maisi coasts, on the eastern end of the island.

Brencick said the work carried out by appointed attorney Roberto Bodinez Laera was impressive and sound. He congratulated Bodinez at the end of yesterday's session when the trial was concluded pending sentencing.

The defendant, William Roger Cooper, former soldier of the Yankee Navy's 1st Infantry Division who took part in the attack on Vietnam, admitted that at the time of his arrest he was transporting 626 lb of marijuana purchased in Jamaica with the purpose of processing the drug and selling it in the United States. The defendant said that although drug trafficking is illegal in his country, it is a normal activity in many states and that he had to use this route to obtain money and improve his economic situation. He is an independent fisherman and lived on the vessel in which he worked.

Further on Trial

FL2605010090 Havana Television Service in Spanish 0000 GMT 26 May 90

[Text] The trial in Guantanamo of U.S. citizen William Roger Cooper, accused of drug trafficking, has ended and is awaiting sentencing. Our reporter Rosa Maria Fernandez has more details.

[Begin recording] [Fernandez] You stated that although drugs are illegal, they are considered something normal in your country. I would like you to elaborate more on this.

[Cooper, in English with simultaneous Spanish translation] Marijuana is most commonly used there. It is used more than (?alcohol). My government is interested for it to be used sometimes in small amounts in some places.

[Fernandez] Do you use marijuana?

[Cooper] I have.

[Unidentified speaker, in accented Spanish] I have just commented that apparently it was a very thorough and just trial with many opportunities for the defense to make remarks. [end recording]

Law No. 62 of the Cuban Penal Code establishes between (?seven to 15) years of imprisonment for the crime of trafficking and possession of toxic drugs. In this case, the prosecutor has asked for 12 years, and the defense for three and a half years.

Tomas Borge Interviewed on Nicaraguan Situation

FL3005011090 Havana Television Service in Spanish 0000 GMT 30 May 90

[Interview with Nicaraguan Commander Tomas Borge by Mayra Viera in Havana; date not given—recorded]

[Text] [Borge] A number of measures the government has taken have begun to erode its support. Of course, the $300 million from the United States have just been passed, which should create hope among some backwards sectors of our people. But the neoconservative economic measures the government has taken, and its measures aimed at denying the gains of the people, the gains of the revolution, will in the near future be translated into discontent—enormous, in my opinion—that will bring the country to one crisis after another until a crisis of a revolutionary nature occurs which will have to be resolved in accordance with the new situation the world and our country are experiencing.

[Viera] Do you feel optimistic, then?

[Borge] Absolutely. Not only about Nicaragua, but about the life of the Cuban revolution, about the disillusionment that will be sown in the minds of the inhabitants of the East Bloc countries, about the prospects of the popular and revolutionary movement in Latin America. I am full of the most absolute optimism, saturated with a total confidence that this joy of the most reactionary sectors in the world—that the outlook for revolution has disappeared and that conservatism is going to triumph forever and ever—is no more than a fantasy and will be belied by events in the coming decade.

[Viera] Thank you, Commander, for your words for Cuban television.

Commentary on Possibilities of Salvadoran Peace

PA2705005090 Havana International Service in Spanish 0100 GMT 23 May 90

["Our America" commentary read by Manolo Ortega]

[Text] Following five days of talks in Caracas, in which the strictest secrecy kept details under wraps, FMLN [Farabundo Marti National Liberation Front] and Salvadoran Government representatives have signed a general document of negotiation between the two sides. According to this document, whose salient points were disclosed to the media on 21 May, the initial objective of the negotiations, which really get under way now, will be to obtain political agreements, and later, an end to the armed confrontation, which must be reached before September.

It is worth explaining that, according to the Caracas document, the sides made the date for the cessation of the armed conflict contingent upon the attainment of synchronized agreements with a verifiable timetable. The text of the recently signed agenda adds that if the end of the war is achieved before September, legislative

and municipal elections will be held in a climate of tranquillity and broad participation and will be free of intimidation. Now that a true peace process seems to be getting started in El Salvador, it is worth remembering that according to the precedent of previous meetings to negotiate the Salvadoran conflict, the government always tried to establish parity between the FMLN and the Nicaraguan contras, and demanded an immediate cease-fire as the indispensable condition for beginning peace talks.

If the document published on Monday [21 May] is analyzed, it becomes clear that the goal is to reach political agreements and to later end the armed conflict. Thus, everything seems to indicate that the Salvadoran Government has accepted the stance taken by the rebel delegation to the Caracas meeting. This delicate process that could bring peace to El Salvador, and which really gets under way now, is permanent and constant, said Alvaro de Soto, mediator in the talks and special envoy of UN Secretary General Javier Perez de Cuellar. However, this same official recommended not overestimating or underestimating the recent general agenda.

To conclude this commentary, we must stress that according to the results of the talks held recently in Caracas, Salvadoran rebel and Government envoys will hold negotiations to reach political agreements, as the FMLN has proposed. These agreements deal with the Salvadoran Armed Forces, human rights, the judicial and electoral systems, constitutional amendments, the country's socioeconomic problem, and UN verification of this process. Reaching an agreement on the cessation of the armed conflict is established next.

The second point of the agenda mentions the establishment of guarantees for the reincorporation of the guerrillas into the country's social, institutional, and political life. A third point of the agenda deals with the verification of the entire process, something that is to be carried out by the United Nations. However, it is possible that national peace can be reached through this process of negotiation between the Salvadoran guerrillas and government.

* Pace of Spare Parts Recovery Effort Criticized

90P40040 Havana JUVENTUD REBELDE in Spanish 10 Apr 90 p 2

[Article by Juana Amaya Gonzalez]

[Excerpts] It is known that much of the equipment in Cuban industry functions thanks to the talent and persistence of the workers who are involved in the manufacturing and repair of spare parts. It is not a secret that for years parts were imported which could have been manufactured in the country.

Now it is not only necessary to dust off and apply these ideas, but to contribute new ones since this will be the only way to guarantee continued production.

More than intentions, this requires exigency and above all a government policy which forces those at the administrative level to give greater attention to this problem, because, in the majority of cases, inaction, negligence, and red tape are behind the trite response that there are no resources.

Have the reasons for which the many possibilities presented at the four forums on spare parts have not been implemented been only objective? I venture to say the answer is no.

Recently the vice president of the Havana City Provincial Commission for Spare Parts, Ricardo Ojito, told the press that of the 359 projects analyzed during the latest of these events in that region, only 108 have been implemented.

Some of the components which were proposed were really complex such as the "fusometro"—for bathrooms—the manufacture of which requires the cooperation of several enterprises; but others are quite simple.

The battery for a loading device for example (although it is not included in this statistic because it was exhibited only in the national exposition of the aforementioned event) is easy to recycle; although it was demonstrated a year ago, there are still obstacles to commencing operations at the first workshop in the capital.

That is the situation in one province and with reference to only one event, but it could serve as a gauge of what is happening elsewhere in the country.

Without a doubt there has to be an increase in the seriousness and organization of this effort because our economy is at stake. The work centers should become capable of producing the spare parts which they need, that is, they should be produced in house. [passage omitted]

But more than manufacturing, the most important thing is to repair, to prolong as much as possible the useful life of the spare parts, to eliminate this costly habit of throwing away parts and substituting them for new ones.

In addition, the tendency must end whereby some centers throw away or keep parts because they do not need them, while there are other centers which are almost on the verge of being paralyzed for a lack of these parts.

Likewise, work must be done to generalize these tasks, to apply them at a local level.

Much progress has been made, but it is evident that the problem of spare parts in our country still has some flaws and to eradicate these will require more than awareness.

Dominica

Charles' DFP Embarks on Third Straight Term

FL2905170290 Bridgetown CANA in English 1621 GMT 29 May 90

[Text] Roseau, Dominica, 29 May (CANA)—The United Workers Party [UWP], which won six seats in the general election on Monday [28 May], says the results showed that the people are disgusted with Prime Minister Eugenia Charles' Dominica Freedom Party [DFP] which took a slender 11 of the 21 seats.

"No matter how much we build structures, people come first in the end," said UWP leader Edison James who will be leader of the opposition in Parliament.

"When we reflect on the outcome of the elections, it strongly suggests a large number of people in the country are of the thinking that there were a number of issues, such as live radio broadcasts from Parliament, and democratisation of the press, which affected them."

James said while the two year-old UWP had hoped to have received "a mandate" from the voters, it had nonetheless "been given a tremendous responsibility and we will do our best to discharge that responsibility."

"The role we have been called upon to play is a very important one and we will play that role with the national interest very much in the forefront of our minds," he added.

James said he expected both opposition parties to be putting forward their own positions in Parliament but he was "sure there will be occasions when we will have joint positions and I expect as we deal with some of these matters.... that our position will mesh somewhere along the line." The 35 year-old Democratic Labour Party won four seats in the elections and during the campaign the parties abandoned efforts to reach a common position to challenge Charles' DFP which is now embarking on its third straight five year term.

Dominican Republic

Balaguer Declared President by Electoral Board

FL2505175190 Santo Domingo Radio-Television Dominicana Radio Network in Spanish 1602 GMT 25 May 90

[Text] President Joaquin Balaguer will direct the public administration for the fifth time through the people's vote, after the Central Electoral Board [JCE] issued Bulletin No. 20, the final bulletin, which declared the current president the winner of the recent elections. The latest counts by the JCE gave President Balaguer and Vice President Carlos Morales Troncoso 669,073 votes for their respective reelections for the 1990 to 1994 term.

In the recent elections, Dr. Balaguer defeated his main opponent, Professor Juan Bosch, who has been beaten for the second time by the president through the people's vote. Bosch and his party, the Dominican Liberation Party, PLD, obtained 647,369 votes, to come in second.

Dr. Joaquin Balaguer, age 83, led the country as head of the Council of State, after the death of Rafael Leonidas Trujillo Molina. After the rebellion in April 1965, Dr. Joaquin Balaguer arrived in the country. After organizing his Reformist Party, he ran in the elections in 1966 and defeated Professor Juan Bosch.

Two More Officials Appointed

FL2505182390 Santo Domingo Radio-Television Dominicana Radio Network in Spanish 1621 GMT 25 May 90

[Text] President of the Republic Joaquin Balaguer has appointed by decree Dr. Manuel A. Bello as secretary of public health, and Navy Captain Ruben Paulino Alvarez as head of the General Directorate of Price Control. The appointment of Dr. Bello is contained in Decree No. 189/90, and he replaces Dr. Rafael Gautreaux in that post. Paulino Alvarez was appointed through Decree No. 190/90, replacing Brigadier General (retired) Jose de Jesus Morillo Lopez.

Both decrees were issued yesterday by President Joaquin Balaguer, who swore in the two new officials yesterday afternoon in his office at the National Palace. With these, there have been a total of three important appointments made by the head of state this week, since yesterday he also appointed Colonel (Pedro de Jesus Rosario Candelier) director general of forests.

Vote Abstention Rate Highest in Nation's History

FL2505180390 Santo Domingo Radio-Television Dominicana Radio Network in Spanish 1611 GMT 25 May 90

[Text] More than one million registered voters did not vote in the recent elections, according to a report from the final bulletin issued by the Central Electoral Board [JCE]. Yesterday, after the last vote count, the JCE reported that 1,365,327 voters did not cast their ballots.

The reports state that for the recent elections, the JCE had a population with the right to vote totaling 3,275,560 persons. This is the highest abstention rate that has been recorded in the country's voting history, according to information from historians, analysts, sociologists, and politicians.

Election Verification Process Begins

FL2805153190 Santo Domingo Radio-Television Dominicana Radio Network in Spanish 1000 GMT 28 May 90

[Text] The Central Electoral Board [JCE] has scheduled for today the beginning of the checking and verification of the documents filed at the polling tables on the 16 May elections. Representatives of the Catholic Church,

rectors of the country's universities, and other institutions will participate in this work. The JCE sent a message to the political parties asking them to appoint their representatives who would form part of the working committees. In Resolution No. 53-90 issued after 2100 [date not specified] the JCE reported a number of measures that will implemented during the checking and verification process.

JCE's Tavares Responds to Bosch Accusations

FL2805201090 Santo Domingo Radio-Television Dominicana Radio Network in Spanish 1637 GMT 28 May 90

[Text] The president of the Central Electoral Board [JCE] has responded to Professor Juan Bosch's accusations that he serves the interests of the Social Christian Reformist Party, and asked the PLD [Dominican Liberation Party] presidential candidate to maintain equanimity in his complaints against the JCE and its members.

In a lengthy letter sent to Professor Bosch, Dr. Froilan Tavares has said that the PLD leader should trust in the members of the JCE and use legal channels to exercise his party's rights. The accusations you have repeatedly made against the JCE are very serious, Tavares has said in a letter to Professor Juan Bosch.

PLD Advised To Produce Evidence of 'Fraud'

FL2505215090 Santo Domingo Cadena Brea Pena in Spanish 2100 GMT 25 May 90

[Text] The executive power's economic adviser warned the Dominican Liberation Party [PLD] today that, if it does not produce convincing evidence of the alleged fraud committed in the elections, the top leaders of that political group will be subjected to the law. At the same time, Attorney Juan Jose Arteaga urged the PLD to present before a judicial tribunal the alleged evidence of the fraud it claims the Social Christian Reformist Party committed during the past elections. The official said that the three [word indistinct] the PLD leaders have linked with the alleged electoral fraud have nothing to do with the electoral process which took place in the Dominican Republic last 16 May.

Arteaga noted that the Central Electoral Board and the main political leaders who participated in the elections agreed on carrying out the verification of the ballots as requested by the PLD to show that clean elections were held in the country.

Revolutionary Party To Support Election Results

FL2905185390 Santo Domingo Radio-Television Dominicana Radio Network in Spanish 1600 GMT 29 May 90

[Text] Dr. Jose Franciso Pena Gomez has said that the Dominican Revolutionary Party [PRD] opposes all calls for violence. The political leader said the PRD understands that it is better to maintain a precarious constitutional order rather than a bloody destabilizing situation. Pena Gomez said that his party has committed itself to supporting the government that emerges from the elections. He said that he has no comment or suggestions to make regarding the Dominican Liberation Party's call for a general strike if the Central Electoral Board does not proclaim Juan Bosch the winner of the elections. We know the PRD will not support any call made by any party for a general strike or for violence, Pena Gomez said.

Jamaica

Manley Hospitalized, Transferred to Miami

FL2805150090 Bridgetown CANA in English 1427 GMT 28 May 90

[Text] Kingston, Jamaica, May 28, CAna—Jamaica's Prime Minister Michael Manley was Monday [28 May] morning transferred from a Kingston hospital to the Miami Heart Institute in Florida, where he is to undergo medical tests. Manley, 65, who is said to be suffering from atypical pneumonia was flown out of the island at 3:00 a.m. aboard an air ambulance.

According to medical experts atypical pnuemonia is caused by an organism which usually does not cause significant infection in the lungs. However, if the patient is already weakened by an ongoing infection or taking cytotoxin drugs (used in the treatment of cancer) isolating the virus and treatment is sometimes difficult. The Jamaican leader has been diagnosed with cancer of the prostrate.

Manley, who returned from an official visit to Washington on May 8, was said to be suffering from influenza. Last week he was ordered by his doctors to rest in preparation for his June 5 operation for prostate cancer. He was diagnosed with pnuemonia on Saturday [26 May] and admitted to the University Hospital of the West Indies here on Sunday [27 May].

Acting Prime Minister P.J. Patterson said on radio Monday morning that Manley had arrived in Miami safely and was resting before undergoing tests. These tests cannot be done in Jamaica.

Patterson did not say how long the prime minister was expected to remain at the heart institute. Howerver, he said the nation will be kept informed about Manley's progress on a regular basis.

Chamber of Deputies Protests Machain 'Kidnapping'

PA2505160190 Mexico City Red Nacional 13 Imevision Television in Spanish 1300 GMT 25 May 90

[Text] The Chamber of Deputies has strongly protested the violation of our Constitution in the case of the kidnapping of Humberto Alvarez Machain on 2 April. Deputy Maria Elena Chiata read the unanimous agreement reached by all the congressional factions. This agreement was approved during the Chamber's public session.

Chiata said that the kidnapping of the Mexican citizen, who was later taken to U.S. territory, violates international laws on relations between states and the extradition treaties between Mexico and the United States.

In the agreement, the deputies urge the Foreign Relations Secretariat to continue efforts to redress the crime committed against a Mexican citizen.

One of the paragraphs claims that Machain's capture violates Articles 14 and 16 of the Constitution. These articles stipulate that no one can be deprived of his freedom or harassed without legal proceedings.

Salinas Comments on Case

PA2705040590 Mexico City NOTIMEX in Spanish 0128 GMT 26 May 90

[Text] Chihuahua, 25 May (NOTIMEX)—Mexican President Carlos Salinas de Gortari has reiterated that relations between Mexico and the United States should be characterized by mutual respect. He added that neither the United States nor Mexico should relinquish their rights.

The president said that good relations stem from mutual respect and he added that "these are the kind of relations that we seek and support with all countries."

Salinas de Gortari stated that Mexico will act "all along the line" to achieve the return of Dr. Humberto Alvarez Machain from U.S. authorities. Alvarez Machain is currently being tried in Los Angeles, California, after being kidnapped in Guadalajara.

The president spoke about the statements made on 24 May by President George Bush, who said that the case of Alvarez Machain was not under the jurisdiction of the U.S. Federal Government, but under the jurisdiction of a Los Angeles Court. Salinas de Gortari added that the Mexican position has been clearly expressed by the Foreign Relations Secretariat.

On the other hand, the president denied reports saying that the country is running the risk of internal divisions. On the contrary, he said that Mexicans are working together under new economic conditions and in a new environment.

We know that the unity within the pluralistic system and the respect for the normal differences of others in a country filled with diversity like Mexico becomes a chief element to continue moving forward, he said.

The president was interviewed in the International Airport just before he traveled to the Cuauhtemoc Municipality, where he met with producers and the Mennonite community.

Further on Comments

PA2605175690 Mexico City Red Nacional 13 Imevision Television 1304 GMT 26 May 90

[Report by Juan Manuel Pereira]

[Text] The presidential tour through Chihuahua ended yesterday 25 May. Shortly before returning to the capital, President Carlos Salinas de Gortari said that Mexico will follow the guidelines established by the Foreign Relations Secretariat concerning Doctor Humberto Alvarez Machain's kidnapping, adding that the government will act accordingly. He added that Mexico strives to establish relations based on respect for all the country.

Shortly before delivering the statement he met with solidarity committees. A small group of teachers demanded, with hand-painted signs and shouts, a salary increase. The president reminded them that income for teachers has been improved more than any other sector during his 18-month administration because they are underpaid and the quality of our education must be improved.

The president of the Republic also met with the Mennonite community and talked with local settlers, students, and peasants. Many said that they lacked certain things and some have urgent needs, but all received his support.

During his second working day in Chihuahua State, the president of the Republic offered scholarships to the Chihuahua students who want to join the National Solidarity Program. He also confirmed the Conasupo's [National Company for Basic Commodities] pledge to install popular stores in all the Infonavit [Institute of the National Fund for Workers Housing] housing units in the country.

Conasupo Director Ignacio Ovalle said that the Conasupo's pledge represents the tip of the iceberg in a 180-degree essential change in the way of meeting social needs. The president praised Infonavit's good faith and plans to do the right thing during his dialogue with the Mennonite community.

He also offered to revise an old agreement which was signed with General Alvaro Obregon concerning proposals for social aid. When meeting with the peasants, the president asked them to continue their coordinated actions. He said that pluralism may also include a dialogue, coordination, and respect and that joint efforts may be needed to solve problems.

Arrest, Extradition Requested

PA2605231790 Mexico City NOTIMEX in Spanish 0438 GMT 26 May 90

[Text] Mexico City, 25 May (NOTIMEX)—Today the Attorney General's Office (PGR) will ask a penal judge here to issue an arrest warrant against U.S. DEA Agent Hector Berrellez, and to request his extradition.

Berrellez presumably masterminded the kidnapping in Guadalajara, Jalisco, of D . Humberto Alvarez Machain, whom U.S. legal authorities have implicated in the murder of DEA Agent Enrique Camarena Salazar.

The PGR said that it will also request Berrellez' extradition through official channels, as his crime is punishable under Mexican laws.

The Los Angeles Court publicly admitted that the DEA paid $20,000 for Dr. Alvarez Machain's kidnapping.

The PGR also asked the judge handling the case in this capital to issue an arrest warrant against Antonio Garate Bustamante, a DEA informer, as well as the corresponding extradition order.

Meanwhile, the PGR denied that Attorney General Enrique Alvarez del Castillo had any knowledge of the plans to kidnap Alvarez Machain.

The kidnapping was approved last January by top DEA authorities, including the office of U.S. Attorney General Richard Thornburgh.

The PGR reiterated Alvarez del Castillo's previous statement in the sense that those who carried out the kidnapping are criminals who "should be and are being sought by justice."

Senators Discuss Trade, Drugs, Other Issues

PA2705004990 Mexico City Red Nacional 13 Imevision Television in Spanish 1300 GMT 26 May 90

[Report by Norma Brena]

[Text] Mexican and U.S. parliamentary representatives yesterday agreed that there should be a free-trade agreement between the two nations. The statement was given by Senator Mario Niebla during the first working session of the 26th inter-parliamentary meeting between Mexico and the United States.

Both the Senate leader and Senator Dulce Maria Sauri, Senator Alfonso Martinez Dominguez, and Deputy Gonzalo Martinez Corvala asserted that the free-trade agreement must safeguard Mexico's sovereignty and independence so that it does not preclude its trade with other nations and blocs—as decided by the Mexican people.

They termed as unacceptable the proposal presented by Senator Christopher Dodd, who proposed a common market from the Arctic to Yucatan. They said that Mexico cannot accept this because it would involve relinquishing part of its sovereignty in customs and financial issues, and because it would imply the free flow of capital and labor—which Mexico does not want. That is why they adamantly turned down the proposal.

The U.S. Senators talked about drug trafficking and admitted that they are responsible for an increasing demand for drugs. They also deplored that there is no war against legal drugs—14 states in that country have legalized marijuana crops—and emphasized that corruption prevails among U.S. police forces. That fact was admitted by the head of the U.S. delegation, Christopher Dodd, who reasserted that the two countries must close ranks against drug trafficking. He said that the way in which [Dr. Humberto] Alvarez Machain left the country is a problem, adding that the [DEA Agent Enrique] Camarena case is still a critical issue. The latter was confirmed by Congressmen Charles Rangel, who said that if Alvarez Machain had illegally entered the country, all U.S. Government branches will apologize because the law cannot be enforced by violating it.

Interest in Sending Drug Agents to U.S. Noted

PA2905044990 Mexico City UNOMASUNO in Spanish 19 May 90 p 12

[Excerpt] Campeche, Campeche, 18 May—Mexico is interested in sending antidrug agents to the United States, based on a proposal made by President Carlos Salinas de Gortari to his counterpart George Bush, concerning the working conditions for Drug Enforcement Agency agents to be set forth in a final agreement currently being discussed by the Attorney General's Office (PGR), the Foreign Relations Secretariat, and the U.S. State Department.

Attorney General Enrique Alvarez del Castillo made the announcement during an interview after a ceremony where he represented the president at the signing of the Sole Agreement for Development 1990 for a total of 80,940 billion pesos with Governor Abelardo Carrillo Avla.

Alvarez del Castillo said that Mexico's relations with the United States are being reviewed, adding that the current guidelines, which are based on the agreement signed in February 1989, are being negotiated. He stressed that some actions are being coordinated, particularly concerning information, "technical support, and exchanging important data, such as their understanding of our legislative and judicial systems, and us knowing what the United States wants. We must bear in mind that both countries have different legal systems, making it difficult to have discussions and obtain assistance." [passage omitted]

Nicaragua

Government, Contras Resume Disarmament Talks

PA2905184690 Panama City ACAN in Spanish 1707 GMT 29 May 90

[Text] Managua, 29 May (ACAN-EFE)—Today in Managua representatives of Violeta Chamorro's government and the "contras" resumed talks on the rebels' disarmament. The talks were broken off on 25 May when it was charged that the Army had killed 14 demobilized contras in northern Nicaragua.

The meeting, which began at 1015 (1615 GMT) in a hotel in this capital, will deal with matters related to the security of the anti-Sandinists after they disarm, the lands they will occupy, and the medical attention they will receive.

The government delegation is comprised of Roberto Ferrey, special representative of President Chamorro; Government Minister Carlos Hurtado; Health Minister Ernesto Salmeron; Labor Minister Francisco Rosales; and Gustavo Tablada, director of the Agrarian Reform Institute.

Representing the contras are Commanders "Ruben" (Oscar Sovalbarro), "Johnny" (Luis Sovalbarro), and "Doctor Henry" (Enrique Zelaya), as well as political advisers Aristides Sanchez, Jose Matus, and Bernardo Pastora.

Before reopening the meetings, Ferrey pointed out that the charge concerning the killing of 14 demobilized "contras" was "false" and that there were no further excuses not to sit down and negotiate.

For his part, Commander "Ruben" told ACAN-EFE that no one could talk about "falsehood" until the final report of the commission investigating the charge is known. The commission is made up of Cardinal Miguel Obando y Bravo and representatives of the government, the contras, the United Nations, and the OAS.

In a preliminary report released on Saturday, 26 May, the commission pointed out that there is no evidence to assert that there was any killing. The final conclusions will most probably be presented today and all indications are that the preliminary report will be confirmed.

Southern Front Cease-Fire Called Until 10 June

PA2905230390 Panama City ACAN in Spanish 2143 GMT 29 May 90

[Text] San Jose, 29 May (ACAN-EFE)—The political and military command of the Nicaraguan Southern Front announced today that its fighters in Nicaraguan territory will observe a cease-fire until 10 June. "We hope," the rebels said, "that President Violeta Chamorro will think about the mistake of negotiating with the Sandinists behind her voters' backs and that by 10 June our people will have the opportunity to live in peace, without an army, and without generals."

The Chamorro government has warned that if the contras do not lay down their weapons and demobilize by 10 June, in accordance with the agreement made, that they will technically be at war with her administration, the Nicaraguan rebels noted. When asked what would happen on that day if the government has not heeded their calls, the Southern Front commanders said "the war may continue."

Speaking on behalf of the fighters of Nicaragua's Central and Southern Fronts, Francisco Delgadillo and Jose Manuel Urbina accused Chamorro of "betraying" the ideals of the people by reaching an agreement with the Sandinist National Liberation Front (FSLN). "The situation in Nicaragua is not a good one for the rebels to turn in their weapons based on false promises that President Chamorro cannot guarantee," Urbina noted, adding that "many who have voluntarily demobilized have been killed and tortured."

The Southern Front representatives said that Nicaraguan Ambassador to Costa Rica Alfonso Robelo has invited them to go to Managua to discuss peace, but, they said they were treated with "contempt," and warned to hand over their weapons or else be considered rebels. Urbina and Delgadillo warned that for the duration of the cease-fire, the Southern Front fighters "will reserve the right to defend ourselves if attacked."

'Development Centers' To Be Established

PA3005042490 Panama City ACAN in Spanish 0253 GMT 30 May 90

[Text] Managua, 29 May (ACAN-EFE)—Representatives of the Nicaraguan Government and the "contras" agreed in Managua today to establish one or more "development centers" in 23 central, southeastern, and northern areas of the country, where combatants will be sent once they are demobilized.

After seven hours of discussions, delegations of the two parties read a communique stating that these "centers" will be "production units" to benefit, primarily, the rebels who surrender their weapons to the peace forces of the UN Observer Group in Central America (ONUCA).

The talks between the government and rebels resumed today after they were suspended on 25 May because of the alleged "massacre" of 14 demobilized men. The "contras" have blamed the attack on the Sandinist People's Army. However, a special commission established by the government has not found any evidence of the action yet.

Tomorrow, government and "contra" delegates will continue to discuss the issue of security, the main requirement for the resumption of the demobilization, which should have ended on 10 June as mandated by a 4 May agreement.

According to that agreement, the "development centers" will include hospitals, schools, water and electricity services, houses, roads, paths, and private lots for cultivation and cattle-breeding.

The forest reserves of the San Juan River, which the United Nations considers to be a historical heritage of humanity, have been excluded from the project.

The government will compensate former combatants whose property was confiscated and occupied during the Sandinist regime.

Agrarian Reform Director Gustavo Tablada and "contra" representative Pepe Matus explained to reporters that the "development centers," which will be delimited within eight to 10 days, could be located in Rio Blanco, San Pedro del Norte, and Waslala, in the northern and central Atlantic coast areas.

Tablada and Matus also announced the creation of a tripartite commission made up of the Institute of Agrarian Reform and Environment, and the Nicaraguan Resistance, under the coordination of the Repatriation Institute, that will be tasked with "specifying the location of the centers."

"Once established in those geographical areas, the demobilized will have the right to receive urban or rural land title deeds."

The "development centers" are among the commitments made by the Chamorro government on 4 May in Managua as a condition for the rebels' demobilization and incorporation into civilian life.

FSLN Reportedly Begins 'Internal Restructuring'

PA2805150790 Managua Radio Corporacion in Spanish 2300 GMT 25 May 90

[Text] Former Interior Minister Tomas Borge Martinez announced last night that the opposition Sandinist National Liberation Front [FSLN] has begun an internal restructuring following the 25 February electoral defeat. The restructuring will consist of changing some leaders. Borge announced that a new strategy will be defined for the survival of a political party. The strategy will be based on self-criticism and promotion of the internal democratic process, rather than on the previous hierarchical system.

The purge of new members began yesterday as Sandinist Youth National Coordinator Ajax Delgado was removed because he was inefficient. Delgado had previously headed the association of Sandinist children. A few weeks ago in Venezuela, Borge said that he was becoming convinced of the impact of the changes taking place in the world. We lost a bishop [referring to a chess piece] that we thought was unmovable, Borge said, referring to the humiliating electoral defeat the FSLN suffered at the hands of the National Opposition Union.

The former minister, now a common citizen, spoke as a worker yesterday at the Sandinist Central Organization of Workers, and virtually portrayed himself as the new FSLN leader after noting that his party had to do away with sectarianism, arrogance, and messianic attitudes.

RN Representative Acevedo Issues Statement

PA2805154290 Managua Radio Corporacion in Spanish 1248 GMT 28 May 90

[Telephone statement by Nicaraguan Resistance, RN, Representative Alejandro Acevedo; place not given—live]

[Text] We want to inform the Nicaraguan people that the RN delegation has been waiting since yesterday for authorization for ONUCA [United Nations Observer Group in Central America] members to transfer the RN to the 5th Security Zone and to continue demobilization negotiations from there. However, it seems that Sundays are government holidays. On 26 May, Commander Ruben clarified that there is not a single RN fighter who is under excessive pressure at any enclave or security zone. Some government officials use disinformation that in no way benefits the reconciliation process or efforts to attain an effective demobilization. They have circulated the rumor that some RN commanders have pressured fighters not to demobilize. This is totally false. Any government delegation—provided they are accompanied by a good number of reporters—can go to the enclaves and speak to the fighters, who can provide the correct answer. Out of the 1,300 fighters who have handed in their weapons or have been demobilized, most have returned to their enclaves because there is no security in their areas.

Furthermore, on 26 May, the precarious peace we are living under in Nicaragua was endangered by mistreatment of the RN delegation members. They were harassed at the Las Mercedes Hotel and the Intercontinental Hotel where [one-second break in reception] individuals turned up, trying to pressure them and put them under hotel arrest. This prompted all RN troops to go on maximum alert. Why? Because of an apparently mistaken and off-target decision by [Government] Minister Carlos Hurtado to send these repressive forces to pressure and harass RN representatives, forgetting that these delegates represent an Army of more than 14,000 men that have been fighting all these years. What happened on 26 May amounted to a slap in the face. The government minister cannot get away with the story that this was for security reasons. If this had been for security reasons, they only needed to put up a police barricade about three blocks from Las Mercedes Hotel. Then the RN members would not have been subjected to these abuses. Despite this situation, the RN maintains its desire to reach dialogue and true demobilization, but with guarantees.

We say that the government minister has his sights off-target for the following reason. During the strikes promoted by the Sandinists, the Black Berets, instead of

protecting those people who wanted to work, were themselves attacked and they did not attack or remove the people who had taken over the installations. They have now done the same thing. This has created more conflict, so the negotiations will have to take place in the enclaves where there exists the proper safety for our people, according to chief negotiator Commander Ruben. This is what we wanted to tell the Nicaraguan people. We wanted to wait and see if perhaps, this time, the government will decide to authorize the delegation to be moved today by helicopter to its enclave. No one came yesterday; no official came to the Las Mercedes Hotel to continue the dialogue as part of this RN demobilization process. We are also under the impression—and we want to make this very clear—that some individuals are trying to provoke a confrontation between the RN and the new government. This we do not want; we want the new government to offer full security. One cannot help asking why the new government has not already implemented a plan to disarm all the criminal paramilitary men who move freely all over Nicaragua. That would be a good step that the Nicaraguan people would appreciate because the people continue to be harassed and threatened by these individuals that were armed by the fateful FSLN [Sandinist National Liberation Front].

Ortega Criticizes Government's Economic Measures

PA2605234490 Managua Radio Sandino in Spanish 1200 GMT 26 May 90

[Text] Former President Daniel Ortega said on 25 May that the government should behave responsibly and maturely, and continue the economic program put forward by the Sandinist administration to promote farm exports and protect workers.

The revolutionary government's economic program controlled inflation and proved successful in 1989, Ortega said, adding that the current government still has time to correct its mistakes. Ortega criticized the government's devaluation system because of its failure to include salary readjustments. Devaluations are necessary, Ortega said, but the government's system has proven violent because it diminishes the workers' purchasing power.

The government is restricting credit to private, cooperative, and ATC [Farm Workers Association] producers, said Ortega, who also called for a concerted nationwide effort. The former president said that the people became accustomed to devaluations in conjunction with salary readjustments, which is the way the Sandinist government did it.

Ortega said that the government is imposing IMF-type economic measures without IMF benefits. On the contrary, he said, these measures have all the negative effects that the IMF's programs have on the masses.

Ortega also pointed out that the government's economic measures are part of a drastic and violent policy intended to eliminate the deficit and inflation very quickly, even when everyone knows that this is impossible. Ortega, who described the measures as hasty, said that they go against the interests of workers, producers, and the general public, and are bleeding every Nicaraguan.

Says 'Vengeance' Being Promoted

PA2805012590 Managua Radio Sandino in Spanish 1200 GMT 26 May 90

[Text] Daniel Ortega, leader of the Sandinist National Liberation Front [FSLN], said yesterday that the measures imposed on the people by the government during its first month in power arouse feelings of revenge and vengeance promoted by the country's extremist sectors and the United States.

Ortega said that those measures are threatening to affect all groups in the nation, regardless of their ideological and political positions. If the government continues to yield to the positions of the extreme rightists groups, it will lead the country into civil war, he added.

Ortega noted that measures adopted in all fields destabilize the nation and create the highest level tension it has ever experienced in its history.

UNO [National Opposition Union] extremists, Miami Somozists, the contras, and the U.S. Government are against the Sandinists' participation in the country's economic, social and civil life, said Commander Daniel Ortega.

The former president did not rule out the possibility that the positions of those radical sectors are intended to accelerate the emergence of death squads, shock groups that will receive an equal reply from the Sandinists.

Ortega said that the four groups he mentioned are increasingly polarizing the country's internal situation, generating and inciting violence despite the reconciliation proclaimed by the current government.

Ortega added that although he agrees that Violeta Chamorro's government must be consolidated, this does not mean that Sandinism must be eliminated because its presence and majority cannot be ignored by the new government leaders.

Concerning the process to expand the party's democratization, Ortega said that the FSLN will always be the most democratic and advanced force in the country because it is capable of restructuring itself, therefore it continues to be the people's vanguard.

Ortega stressed that this new phase will require a renovation of the FSLN, which will be enriched and nourished by its links with the rank and file. He said that this process is already under way among the Sandinist youth.

[Begin Ortega recording] This is already taking place among the Sandinist youth, who have taken the lead in this process of democratization. They have a certain [words indistinct] this process, which includes not just

electoral matters. The election of authorities is another factor, but the most important aspect is the direct link between the Sandinist leadership and the rank and file. They should really interpret the people's sentiments and struggle against the [word indistinct] tendencies that surrounded us during the past decade. [end recording]

There is also a process under way in many regions, where, because of the current situation, FSLN representatives have been elected. This is quite advanced in the Fifth Region, where FSLN leaders have been elected. Those who support the FSLN have participated in those elections. In other regions, there have been situations that have made it necessary to advance this process.

I would say that the process is advancing as a result of áctions by forces that move the FSLN from the rank and file.

The aggression affected the rank and file's activities and we are not going to wait until an entire plan is designed before we proceed. We plan to press on while we coordinate this democratization process, thus deepening of our democracy. We are not trying to achieve democracy, but to strengthen democracy within the FSLN. [Passage indistinct].

Independent Poll Says Economy is Premier Problem

PA2705232990 Managua LA PRENSA in Spanish 19 May 90 p 2

[Text] Most Nicaraguans have concluded that the Nicaraguan president is a woman of firm principles who knows her country's problems well, and knows and feels the people's desires, although reservations were expressed concerning her experience as president. This information was obtained from the first independent public opinion poll conducted this year between 28 April and 10 May.

According to this poll, only FSLN [Sandinist National Liberation Front] followers—one of every three Nicaraguans—had a different opinion on the new administration. The poll is based on a sampling of 1,270 persons interviewed by the Interdisciplinary Consultants (CID), affiliated with the Gallup International Institute.

The polarization between those who support UNO [National Opposition Union] and the FSLN is expressed in all responses to the questionnaire, designed by CID professionals. For our readers' benefit, LA PRENSA bought the exclusive rights for the publication of the poll's results.

Analyzing the poll we note that Sandinists represent approximately one-third of the Nicaraguan population. Another third are followers of current Nicaraguan President Violeta de Chamorro. The last third are Nicaraguans who are not followers of UNO or the FSLN, but voted for the change, for Mrs. Chamorro and her government's program. This last group will support either of the first two groups, depending on what they promise or how adequate their actions are viewed.

Depending on the group, a marked difference of opinion has been noted in this poll. For example, when the questions referred to the Cabinet, UNO followers responded that Violeta Chamorro had chosen the best men, and very few Sandinists responded thus. Meanwhile, almost all Sandinists agreed with the decision to designate Humberto Ortega as commander of the Armed Forces and very few UNO followers applauded the decision to leave a Sandinist as head of the military forces. Many UNO followers stated that they had voted for Violeta Chamorro because she would reduce the size of the armed forces, which they wanted to see accomplished.

Revealing their lack of knowledge of members of the new Cabinet, 77 percent of the population did not know what to answer when asked who was the best minister in the new government. The ministers mentioned the most were Francisco Mayorga, with eight percent, and Antonio Lacayo, with five percent.

Most of those who answered the poll and who belong to any of the three groups, were of the opinion that what must be confronted first by President Chamorro is the country's economic problem. We note that during the period when the poll was conducted, there had been three currency devaluations and many problems existed.

Contra demobilization was noted as the Chamorro government's second most important challenge. This issue, however, was the most important problem for the Sandinists and the remaining two groups believe it to be second most important.

Unemployment was seen as the third biggest problem, but this is considered to be part of the economic crisis experienced at all levels of Nicaraguan society.

If U.S. economic aid is received, Nicaraguans are of the opinion that it should first be used to improve our economy. Second, health problems should be taken into consideration, and third, different social work should be carried out, with an emphasis on children.

Contrasting with opinions on these matters, when questions about political topics were asked, Nicaraguan public opinion was again divided into two blocks. For example, when a question on the need for a new Constitution was asked, most UNO followers believed that it was a necessary measure, and FSLN followers, that it was not necessary at all.

However, when asked: Do you agree or disagree that the new government can be trusted? FSLN followers gave interesting responses. Most of them agreed that there is democracy in the country and that the new government can be trusted.

Both FSLN and UNO followers again agree when they are questioned about aid received by Nicaragua from Cuba. A total of 61 percent believe that the aid will

diminish, only six percent answered that aid will increase, and 15 percent were of the opinion that it will continue as it is.

Equally, most persons interviewed, including the Sandinists, mentioned [Former Costa Rican President] Dr. Oscar Arias as the best Central American president in recent years.

A question on the U.S. invasion of Panama again showed the deep differences that exist among Nicaraguans regarding political matters. Only 45 percent of UNO followers believed that this action was a success. The FSLN group sees it as a complete failure and this same position is held by those who do not belong to any party.

If political matters are left to one side, Nicaraguan reconciliation could be attained through soap operas, as their audience has increased tremendously over reading of the Bible in the past three months. Only 14 percent stated that they had consulted a witch to have their fortune read or to obatain winning lottery numbers, which are played by 25 percent of the population, an activity that has not been very popular either.

The FSLN's Radio Ya is the radio station that is most listened to; in second place is Radio Corporacion, followed by La Voz de Nicaragua.

Concerning written media, LA PRENSA continues to be the newspaper Nicaraguans prefer and the one that is read with more consistency. When those interviewed were asked, 41 percent said that they preferred LA PRENSA, 19.1 percent EL NUEVO DIARIO, and 21.7 percent BARRICADA.

Labor Ministry Forbids Union-Dues Deductions

PA2805140990 Managua Radio Sandino in Spanish 0000 GMT 26 May 90

[Text] Labor Minister Dr. Francisco Rosales Arguello has issued a communique forbidding the deduction of union dues from a worker's wages. The communique stressed that union dues will not be deducted from the workers' wages, even if labor contracts between workers and employers establish union-dues deductions.

The communique adds that workers will be able to join the labor unions of their choice. Moreover, the communique—to convey a sense of legality—notes the right of workers to choose the labor unions they prefer, as established in the Nicaraguan Constitution.

Regarding labor contract disputes between workers and employers involving more than one labor union, the communique states that all labor unions will have the right to participate in the negotiations in accordance with the number of members they represent. Thus, this communique legalizes the presence of the so-called white labor unions, which may jeopardize the recovery of the workers' rights in the government labor unions.

Editorial Rebukes Changes to Civil Service Law

PA2905033890 Managua BARRICADA in Spanish 20 May 90 p 3

[Editorial: "A Government Trick"]

[Text] As a result of the de facto annulment of the Civil Service Law by a government steamroller at the National Assembly, the government's revenge and irresponsibility toward state workers has made its presence felt again. In addition to reviving the infamous practices of the Somozist congress, the government faction is dangerously acting against the workers' status, freedom, and rights.

Also, the government consummated its mockery of the workers by completely disregarding the commitments signed only 48 hours earlier. From now on, the law of the broom and the ghost of uncertainty will loom over all of the government employees who committed the serious offense of demanding a salary raise and the legal protection of their jobs.

At the same time, however, the government disqualifies and rules itself out as an interlocutor with whom reasonable agreements can be reached. The stupid practice of undoing with one hand what has been done with the other cannot lead to anything positive.

All of the efforts to institutionalize the role of the state workers as government professionals have virtually been destroyed by the annulment of the Civil Service Law. From now on, like in Somoza's time, submissiveness, servilism, and the recommendations of "fellow party members" will be more valuable to the National Opposition Union than the honesty, moral quality, and professional competence of the state employees, professionals, and technicians.

Nevertheless, it remains to be seen whether the intention to apply the broom after the steamroller will have the desired effect. History shows that no bourgeois government has been able to govern by decree, and that an action of force causes an opposite reaction.

Article Defends Sandinism Against New Government

PA2805181490 Managua EL NUEVO DIARIO in Spanish 22 May 90 p 2

[Article by Luis H. Ventura: "The UNO Will Have To Convince Itself It Is a Minority"]

[Text] The framework of political confrontation within the Violeta Barrios [de Chamorro] government—which is trying to impose a conservative bourgeois plan on a revolutionary society—has almost been defined.

The obviously coordinated actions of the new government indicate that it has imposed itself as the first government to destroy Sandinism in any of its forms and by any means, regardless of the social, human, or economic cost. In this line, the new government is receiving support and pressure from the United States, which

delays aid to the new administration until Sandinism has been eliminated or at least until the bases for destroying Sandinism have been established.

Knowing that every government enjoys great support and acceptance during its first few days, since 26 April, the new government has launched a great offensive covering virtually all aspects of Nicaraguan society.

In the economic sector, the new government has attacked the main pillars of the Sandinist economy, seeking to destroy cooperatives and state production units, and snatching land distributed by the revolution to give it back to Somozists.

The government wants to discredit the cordoba and announce the creation of a new currency on which, as is natural, no Nicaraguan heroes will appear. At the same time, it intends to suffocate the Sandinist public administration.

The new government has no fear of strikes. On the contrary, it expects to divide the working class and Sandinist labor unions through confrontations; sometimes this objective is met. Then the government organizes the foundations it lacks with strike-breakers. UNO [National Opposition Union] labor unions have proven to be a facade and are useless during this stage of confrontation.

The new government intends to sweep away land distribution, cultural institutions identified with the revolution, university autonomy, and any traces of revolution left in the educational methods. The name Sandinist is removed from television newscasts, and gunmen are sent to remove [Sandinist National Liberation] Front [FSLN] flags remaining on street poles or at private residences. It is an overall offensive, and when they fail at one front, they hurriedly attack another. This destabilizes the country and worries Sandinists. The new government is not worried because it is trying to fulfill its duty and considers no cost too high.

It is urgent for this overall offensive to be answered with the people's overall defense coordinated by the Sandinist leadership. This will eliminate the weaknesses of an isolated resistance that some sectors might undertake out of desperation and necessity.

From the beginning, the FSLN offered to assist the new government to help rebuild the country. However, at this time, it seems necessary to reflect on this position.

If, at this stage, the only task of the new government—and there is evidence that it gives no importance to any other tasks—is to destroy Sandinist society, what is the purpose of Sandinists helping themselves get stabbed?

In this first stage of confrontation there is much muscle-flexing between the people and the government. There is tension within the peoples' forces, which are trying to resist the full-force offensive launched by the bourgeois government. As is known, no fight ends before one of the sides feels defeated or before both become convinced that it is impossible to defeat each other. What sense does it make at this stage of dialogue when one of the sides only wants to hear that his enemy is dead? Dialogue is important, but to be effective and not serve as propaganda for the adversary, it should come at the right time—and clearly this is still the wrong time. In fact, everything indicates that the time is far away, and before that time the government will cause much grief and hunger among the people.

The FSLN made a serious mistake during the electoral campaign by not realizing that not having the Patriotic Military Service [SMP] in effect could mean losing the government. In politics, mistakes are capital sins, and these are always paid for when the analyst makes a mistake.

Now it is the new government and the United States that make a mistake in analysis by believing that the electoral results indicated the Nicaraguan people were not Sandinists and were willing to support Somozism, without stopping to think that most did not vote for UNO; rather, they voted to protect their families and not to serve the SMP. They voted to eat well and to have a better life. The test of power among public-sector workers left it clear that the new government as such does not have the support the elections' mathematical results showed. The government has as its sole support small groups from the most foul sectors, and strike-breakers who are willing to betray their class, their fatherland, and their own mothers—if they are paid—but who lack the courage and bravery of men of principle.

The government is mistaken and is wrapped up in confrontation. Battles and time will be needed before it becomes convinced it is an out-of-tune minority. Sovereignty lies with the people, and when the people's forces impress their own destiny, we shall see the way the new government pays for its capital sin.

Borge Discusses New Government, Other Issues

PA2905032590 Managua Radio Sandino in Spanish 0000 GMT 25 May 90

[Speech by Tomas Borge Martinez, former Sandinist National Liberation Front, FSLN, Interior Minister at a "political-cultural event" commemorating the 11th anniversary of Commander German Pomares' death, place not given—live; monitored in progress]

[Text] [Borge] ... recent strike. The same applies to the still unclear attitude regarding the university's autonomy. We cannot say that the current government has given up plans to dismantle it, I am referring to the autonomy and all the other revolutionary and still-progressive instruments.

An example of this can be seen with the Nicaraguan Institute for Research and Social Studies [INIES] and the case mentioned here by [word indistinct]. The INIES has

a natural and long relationship with the university, to mention just one example, although we must also mention [name indistinct].

It would seem that the INES is an appetizing bite they want to swallow. Who are they? I do not know who. The past, through the lips of some individual whose name I will never mention out of respect for myself and for you. [sentence as heard] In fact, the violence that used to occupy a [word indistinct] building is a violation of the law and of the university's autonomy, which is supported by the law. Therefore, I back the workers' demand for full respect of the university's autonomy, conquered by the revolution.

The layoffs that are taking place are a rough and thoughtless political reprisal, a mean reply which will be responded to.

Regarding these and other contradictions affecting society as a whole, it is good to mention a few things: Apparently, this is the best time for the new government to adopt measures that will hurt the revolution. Elections were recently held, a majority voted for the opposition's union, but not for their political platform. No one knew what the National Opposition Union's [UNO] political platform was.

The FSLN, a formidable force with a dynamic leadership that is ideologically and politically integrated, has not adequately regrouped our rank and file. The operational and organizational levels are yet to be defined. We are still hurt and are just beginning to restore the stability and [word indistinct] of each one of us and of crossing the borders of astonishment.

[Words indistinct] the new government [words indistinct] minicrisis that could become a huge crisis for which we would not be responsible, which of course is not included in its plans. The current situation represents small blows to soften positions in an attempt to undermine us and to implement strategic reforms to deny, detract from, or minimize the revolutionary achievements.

Without trying to firmly evade opposing de facto measures, particularly those aimed at fracturing our backbone, we must as much as possible, avoid falling into the trap and engaging in meaningless confrontations.

It is said that the worse strategist is the one who fights all of his battles at the same time, without being strong enough to fight each one individually.

Moreover, the thoughtless blows clumsily delivered by the current government, which is trying to weaken us and catch us by surprise, are hastening its decomposition and bolstering its lack of credibility. We can speak of certain temporary advantages that led to the [word indistinct] and the vindictive government, but despite this, we perceive the clear signals of our energy and outlook. This is how the most influential officials of the new government understand it, with realism, as they say. They are the ones that called for a confrontation, which would have led to unforseen consequences. The consequences would surely have been dramatic. One of these consequences, and we must be clear on this, would not have been a military coup to overthrow the government of Mrs. Violeta Barrios de Chamorro.

I will talk about this because there may be people who feel that this is an option that is beyond our grasp. [Words indistinct] nearly everywhere, especially in continental Latin America, there are people who have been caught in interregional wars [words indistinct] for independence, the Malvinas War, to face popular discontent and, in some cases, to face guerrilla movements that appeared on the scene, especially after the triumph of the Cuban revolution. These armed groups exert pressure on elected governments by frequently imposing rules of conduct that do not always agree with the elected heads of state. The threat is [word indistinct]. Repressive and unpopular armies and police forces as well as [word indistinct] adversaries of their respective governments remain as vipers ready to ambush the opportunity to seize power. As a general rule these armies are useless. They are birds of prey, thirsty for blood and for coups d'etat.

This is even (?stronger) and we reiterate, the risks of interregional wars have disappeared. [Word indistinct] there are countries that have not been threatened with invasion by foreign powers. To give one example, is Uruguay in any danger of being invaded by the United States, by the USSR, or by a mercenary force? That is not the case for Nicaragua. There is not even the slightest possibility of a military coup because that would be against our promises and our principles. To lead the country into a civil war would isolate Nicaragua and win the world's disapproval.

A military coup under the current circumstances would not make sense. It would not be a rational or smart thing to do.

It is something else to take away the gains of the people. This makes the people go to the streets and the 41 percent then becomes 80 percent. [applause]

Under the difficult circumstances in which the 1984 elections were held [words indistinct]. I recently read an article in a newspaper that said we stole those elections. The article said that we stole the 1984 elections and that we stole the recent election. It said we cheated in these elections. We must be really dumb if we committed electoral fraud to lose the elections. [laughter, applause].

The Sandinist People's Army [EPS] is not like other genocidal armies, which act against their own existence. Why do these armies exist? They are not there to invade other countries, but to repress the people, like the police. They are there to overthrow governments. What is the EPS for, and what are the police for? The EPS is there to defend the national sovereignty, which is still being threatened. Our Army, more than any other, has a

national character. Other armies defend oligarchies and they defend imperialism. The Nicaraguan Army defends Nicaragua. [applause]

No country in Latin American, on the Latin American continent, has been threatened with an invasion. [sentence as heard] I am talking about the Caribbean, where the vigorous island of freedom, Cuba, is located. [applause]

Nicaragua was and is still facing the threat of foreign aggression. It was and still is the target of aggression for a mercenary force financed, organized, trained, and directed by the U.S. Government. Our Army is, therefore, the guardian of a sovereignty that has been and will continue to be threatened by a foreign power. If the EPS had been defending a Sandinist government to the death, why did it not stage a coup d'etat after the elections?

It did not and will not stage a coup because it is a national Army; because it is loyal to the fatherland, the [word indistinct] and its commands, independent of the political leaning of the majority of its members who [words indistinct] to vote in favor of their favorite party. All of us know which party it is. [applause]

And how about the police? It is no secret that, aside from a few flaws, the police were created as a professional corps without any repressive purpose. The police were trained to preserve order by using rational and civilized technical knowledge, which they indeed have. This was demonstrated during the recent strike, when the new government ordered them to clear the way for some officials to enter their offices.

The Sandinist police complied, without making abusive use of its power. I know very well that whenever the police were forced to use tear gas canisters, while the victims were crying from the effects of the gas, the policemen were also crying behind their masks, but for other reasons.

Of course, there are some who insist on another police force to keep order despite the fact that the Sandinist police have been very efficient in keeping order and solving crimes, much more efficient than other police forces on this continent and in many other parts of the world.

It is an injustice that is reflected even today in the latest issue of a newspaper that seeks to undermine the bases of our institutions. They want to stymie the police force. If it defends itself from an attack that is bad, although it is only proper to investigate any action that might involve an abuse of authority. If it does not take action, that is even worse. The main thing is that some people consider the present police force to be intolerable because it does not consist of a gang of assassins. It is not as democratic as other police forces that use machine guns to wipe out (?crowds) and kill children.

What I mean is [words indistinct] that neither the current government nor anyone has any reason to be concerned about the Army or the police corps. Some, however, have shown an excessive concern for this matter. The [word indistinct] of the counterrevolution, that is a mercenary military force, does not have any reason to refuse to comply with the agreements reached with the current government, whose election they even supported. These forces are walking around as if they had been victorious, and they are able to do this thanks to our flexibility, because they were a defeated Army. All this, however, does not mean that a reasonable solution does not have to be found for this matter. The EPS and the police corps are national forces and the contras are an antinational force. The contras do not even obey the government they supported and, most importantly, they are not concerned about Nicaragua's interests. With independence [words indistinct] recommended peasants to join the contras [words indistinct] against the agreements that were debated and signed. A military force that is controlled by a foreign government is uncontrollable. At any given time, it can agree with the interests of a political group, but it stands to reason that within a short period of time this will change, and in some cases will even backfire. This might happen to those who believe that they can use the contras for their own weapon, their own sword, to pierce the [word indistinct] of the revolution. In the end, this will be a mistake. To create a threat is bad, to loose control over it, is stupid and unforgivable. It is not a matter of controlling them or keeping them there just in case. It is a matter of eliminating a danger or suffering the consequences of not doing so. At least we know what to expect. [applause]

The counterrevolution is not a Sandinist matter, as has been said in other circles; the counterrevolution affects the whole nation, it concerns all Nicaraguans. The counterrevolution is illegal, and therefore anti-Nicaraguan because it obeys a foreign power, organizations, and similar associations that want to establish a vindictive and unpopular regime. If they achieve their purposes, they will not only destroy the Sandinists, but all those who oppose their shady plans. This includes [words indistinct] units in the new government, such as those who say they are Marxist because they will never forget this nickname. [applause]

Also, it is time to overcome the Esquipulas syndrome [words indistinct] [applause]. Esquipulas was the correct alternative at a particular time, but that chapter should have been closed with the contras' demobilization and with the total compliance of the other countries that signed the agreement, before the Nicaraguan electoral process.

Nicaragua, not us of course, but Nicaragua as a whole and the new government, need not make any concessions. We have already fulfilled all of our pledges, even the one to move up the elections with, by the way, a pistol aimed at our heads.

To the surprise of many and the respect of all, we accepted the results, just as we accepted the contras' demobilization by 10 June, despite the opinions of

influential world leaders, and I am not referring to Gorbachev or Fidel, that we should not surrender the government before the counterrevolutionaries' demobilization. What more do they want? The only thing left for us to do is surrender the very last red-and-black flag and, once and for all, before our flags are destroyed, stain the land with our own blood. [applause]

[Unidentified man] Free fatherland.

[Crowd] Or death.

[Man] Fatherland (?or death).

[Crowd] We will win.

[Borge] To lower our flags, they will first have to kill us. This is our decision and they know we mean it. Our people know it and our enemies know it. I am asking you to think about this, because everything in life has a price. I say this because the ghosts of crises are approaching Nicaragua. We must avoid bloodshed as a means of solving these crises. It is essential for us to support the contras' demobilization and firmly discourage any attempt at an invasion. We are determined to defend the land where we have deposited the bones, hearts, and dreams of our heroes, and the glories of our banners. This land will be unconquerable because the sons of Sandino, the brothers of Carlos Fonseca, have made that decision.

There is something more concerning this crisis: the unpopular measures to which (?Virgilio) has referred, and the absence of answers to a difficult economic situation of origins foreign to the Nicaraguan people's will. The Yankees' stinginess will not help cure this ailment, which has been aggravated by the clumsiness of the new government's economic hierarchy, which must pay in abundance for its complicity with the U.S. Government's aggressive policies against the Nicaraguan revolution.

He who sows the wind shall reap the whirlwind. He who sows economic isolation will reap economic crisis. [Words indistinct] reaffirms that the people's struggle and the necessary search for a feasible and overwhelming majority, which we will achieve, passes through an intense, manifold, and original political and ideological confrontation. To achieve victory, it is necessary to draft—I am reiterating my first words—a strategy that should be the fruit of collective thought. Tactics must be adjusted to this strategy. I will now express some other ideas. They do not represent the end, much less a debate of the personal views originated in these discussions we have initiated. It is a reaffirmation of the Sandinist revolution's popular, anti-imperialist nature.

We have to regroup and organize our forces through a democratic discussion within the framework of party discipline. Respecting our wonderful traditions, we have to initiate a clear-cut democratization of the organization's rank and file, who secretly and directly must choose the zonal, regional, and national leaders.

We must achieve internal unity, not only in the National Directorate, but also in the revolutionary organizations at all levels, by profiting from the experience and wisdom of each and every one of the National Directorate members and other revolutionary leaders. We must reaffirm the collective nature of the National Directorate, which should be able to handle a number of matters and listen carefully to the voices of the revolutionaries and the people at large.

We must open our windows and let the air in so the great majority and the better sons of the people can become selected members of the revolution's party. We must eliminate all sectarianism, and arrogance, fully strengthening our cohesion, leaving out every sign of (?violence), but without abandoning the security systems that protect the lives of threatened leaders. We must highlight the moral uprightness of our leaders and members. Starting now, we must improve the people's standard of living and try to detect the people's desires, problems, and demands; and make recommendations for the masses' social improvement. We must draft short-, medium-, and long-term programs to reorganize and recover our party influence and find solutions for every predictable situation.

We must stick to our original nature without becoming dogmatic, without any strings attached, and without being influenced by any sign that could disfigure us, the way we are, our independence, and revolutionary profile. [applause] In this connection, we should not make important decisions without the consensus of our rank and file. [applause]

International tasks include our best relations with the revolutionary movements, with parties of various ideologies, and the greatest contact possible with governments, women's organizations, with [words indistinct] and cultural. We must recover power through electoral means. We must use the media to guide people, to disseminate information, and to struggle. We will resort to the truth at all times and in all situations.

I cannot remember if it was Simon Bolivar who said: Truth is the best instrument for persuasion. In addition, there is a problem of principles. We must resort to criticism and self-criticism, and the diversity of criteria within an ideological strategy.

We must support the positive steps of the new government. Without undermining the new government, we are a firm opposition that will not hesitate to reject any measure that seeks to eliminate the goals we have achieved and anything that affects the interests of the people.

Above all, we must have our own solutions, which have been improved by our experience and analysis, so we do not fall into the trap of adopting defensive positions and being just a simple opposition. We must not simply be the opposition; we must carry out positive activities with plausible, and clear goals in mind.

Even though there is no possibility of collaborating at all with the new government, and there are no respectable and developed political parties in the nation with the exception of the FSLN, we cannot just rule out the possibility of future internal alliances with other forces if circumstances warrant it. We are not going to give up hope that some political groups will dump the treacherous collaborators and do something different from what they have been doing up to now.

We have raised the banners of heroism and sacrifices of the Sandinists, we are determied to follow their examples; we are determined to carry out the greatest efforts, return to poverty and danger if necessary. We must be determined to do everything. If the future is more difficult or less difficult, who cares. We revolutionaries are born for challenges.

Allow me to pray, in other words, to kneel down before the memory of German Pomares, our brother with whom we shared so many problems, actions, words, history, and scars. Allow me to tell Germancito, son of Pomares and that glorious gazelle who fell in combat, Julia Herrera, who is now my beloved son: We will be worthy of the blood shed by your parents. Their blood and sweat will form a river no one can stop as it flows down the mountains where red roses bloom; the geese and gazelles will roam free in the mountains where the lions roar amid the fog that hides close to the sun. If the sun were to fade before their courage, the next day will hide in shame.

Here is to German and Julia, and for all those who fell! Let us once again say: Long live forever our immortal heroes!

Supreme Court President Reyes on Judicial Branch

PA3005024090 Managua BARRICADA in Spanish 23 May 90 pp 1, 5

[Text] Rodrigo Reyes, president of the Supreme Court of Justice, has told BARRICADA that over the next few days the court will ask the Presidency of the Republic to make a statement on three writs of unconstitutionality presented against the government last week.

The court reached this decision after examining appeals presented against the following decrees: "Suspension of the Civil Service Law and Revision of Collective Contracts," "Provisional Land Leases," and "Revision of Confiscations." The court found that the appeals are "within the law," that is, that they conform to the procedures established by Article 11 of the "Amparo Law" for filing such appeals.

The appeals against Decrees 8-90, 10-90, and 11-90 were filed by Jose Angel Bermudez, president [as published] of the National Employees Union; Edgardo Garcia, secretary general of the Farm Workers Association; and Ariel Bucardo, president of the National Federation of Cooperatives, on the grounds that the decrees violate basic articles of the Constitution.

Once notified, President Violeta Chamorro will have 15 days to make a statement. Then, after the case is briefly remitted to the Attorney General's Office, the Supreme Court will have to issue a final ruling.

The Supreme Court of Justice will ask the president to intercede to get the Finance Ministry to reconsider a cut in the judicial branch's budget that was recently ordered by Finance Minister Emilio Pereira.

Supreme Court President Rodrigo Reyes said this to BARRICADA upon announcing that there had been a 50-percent cut in the fuel allowance of the judicial branch in interior regions and a 70-percent cut in the capital, while the branch's entire budget for stationery has been cut, which will cause serious delays in transactions in the courts.

Noting that the judicial branch "continues to be the state's Cinderella" as far as the allocation of resources is concerned, Dr. Reyes said that the serious budget cut "paralyzes many of our activities, because without fuel and stationery, the courts cannot carry out transactions, and this could delay the administration of justice in the country even further, to the detriment of the people in general. [no closing quotation mark as received]

"We realize that Nicaragua is facing very difficult economic problems, however, the program espoused by UNO [National Opposition Union] and by Mrs. Chamorro calls for strengthening the state of law. To do this, one must first strengthen the judicial branch. As long as the judicial branch lacks the necessary resources to function properly, it will be very difficult to strengthen the state of law," the official said.

Dr. Reyes said that the request for reconsideration of the measure has already been submitted to the Finance Ministry, but since no reply has been forthcoming, the court will address President Chamorro on the subject in the next few days.

The justice explained that the court is an independent branch that does not participate in the ups and downs of politics and the transfer of power, because this affects only the executive and legislative branches, which are the only branches subject to general elections.

"Consequently, and in accord with the Constitution and the organizational law of the courts, only the Supreme Court has the power to change or remove judges within the judicial branch, and we have not even thought of replacing any judges based on his political creed. Judges do not issue sentences based on political criteria, but on purely juridical bases," Reyes said.

Pursuant to Article 162 of the Constitution, Supreme Court justices are elected from three-person slates that the president of the Republic sends to the Legislative Assembly. The assembly chooses the justices, who in turn appoint the magistrates of the appeals courts. Supreme Court justices are elected for a period of 6 years. The present term ends in December 1993.

Dr. Rodrigo Reyes rejected speculation concerning possible expansion of the current seven-man Court. He explained that under the Constitution and the organizational law of the courts, only the court itself can increase the number of its members, if necessary, and this is possible only if the justices decide to divide themselves into subdivisions (civil, criminal, or labor courts, as the case may be).

"If we were to decide to do this, we would have to issue a resolution to that effect and then ask the president to send three-man slates to the assembly so it could choose the justices needed to expand the court," Reyes said.

BARRICADA asked the president of the court about the charges of "bias" that some UNO politicians—including Labor Minister Francisco Rosales—have made against the judicial branch as a result of the Managua Appeals Court decision to invalidate a Labor Ministry resolution declaring the government workers strike as "illegal, illicit, and unrecognized."

"In the first place," Reyes answered, "I would not say that Nicaragua's judges are Sandinists. We have about 300 judges throughout the Republic, and I can assure you that there are judges from all political parties, and judges who are members of no political party. I could even say that 90 percent of the judges are not members or even sympathizers of the Sandinist National Liberation Front.

Reyes described the performance of the judicial branch both in the past and at present as "very positive." Both the judges and the magistrates have acted in a strictly professional manner. They have strictly adhered to the law. No one here can point out a sentence as having political overtones. The rulings of judges and magistrates are written, and the sentences are there to be reviewed so one can see that they adhere strictly to the law.

Reyes said that the criticism of the judicial branch has not come from high-ranking government authorities. "The people involved are people of dubious reputation who claim a representativeness that I doubt they really have, people who want to get into politics by striking low blows at the judicial branch," the justice said.

Reyes said that in the context of the relations that must necessarily exist among the various branches of the state, the president of the Supreme Court met with the minister of government and pointed out to him the importance of holding coordination meetings with the judicial branch and the Attorney General's Office to more effectively combat crime in the country.

"We have a coordination meeting pending with him, and we are going to invite him to come to the court, along with the attorney general, to establish that type of coordination that was so important in the past and that I feel should continue under this administration," he said.

Finally, the Supreme Court president said that there is no reason for the handling of the unconstitutionality appeals against President Chamorro's decrees to provoke a conflict between the judicial and executive branches.

"Quite simply, the Constitution and the Amparo Law empower the court to consider such appeals. The Constitution states in Article 167 that the rulings of the courts are binding on affected state authorities, organizations, individuals, and corporations. Thus, we are simply complying with the Constitution and the Amparo Law, and there is no reason for this to create friction with the executive branch," he said in conclusion.

Chamorro's 'Reconciliation' Called 'Somozism'

PA2805143190 Managua BARRICADA in Spanish 23 May 90 p 3

[Article by Luis Carrion Montoya: "Violeta's Reconciliation"]

[Text] Violeta began by making up with the counterrevolutionary leader, Enrique Bermudez, who inflicted so much suffering and pain on the people of Nicaragua. Her reconciliation with Bermudez took place in LA PRENSA's offices. She gave him a fraternal embrace under the portrait of Pedro [Chamorro], who was murdered by the National Guard. Later she continued her reconciliation, accepting campaign contributions from Juan Wong, Samuel Genie, and other "little angels" belonging to the group that tortured so many Nicaraguans, including her own husband.

Her reconciliation continued with well-known Somozists like Garcia Esquivel, Arnoldo Aleman, and others. Finally, she met with Somozists in Miami. To top it off, we would not be surprised to see the government invite Alesio Gutierrez, Samuel Genie, and even sinister "Chiguin" [one of Somoza's sons] himself.

What a reconciliation with those who used to repress the people and those who want to repress the people now. This is a one-sided reconciliation. However, this happy merger cannot really be called a reconciliation. There cannot be a reconciliation with those who have always been united in their hatred of the patriots who risked their lives to overthrow Somoza and what he represented. Reconciliation is supposed to make the fatherland worthy and sovereign.

I would describe our new "democratic" government as being imperialist and submissive. It uses economic recovery as a disguise. It is a government of oligarchy, disguised as democracy. It is a government of exploitation, disguised as economic freedom. Worse still, it is Somozism disguised as reconciliation, and all of this under the name of the Virgin Mary.

The new decrees, which review confiscations and provisional leases with guaranteed bank credits, are merely a formula to return the land to the wealthy landowners.

We wish it were a measure to help big and small patriotic producers, but this is not the case. We are now dealing with Somozists whose properties had been confiscated. They already have their hands in Montelimar and Inter [not further identified].

Daniel Ortega said that the so-called "looting", so widely publicized by The Panchos [nickname for Francisco] "very popular" duet, was really carried out by Somoza and his henchmen, like Fausto Zelaya, General Montiel, and many others whose names I cannot recall right now.

This looting, which occurred before the glorious Sandinist victory in 1979, might happen again because Violeta's [Chamorro's] government is offering them the opportunity on a silver platter. This time it is under the legal guise of leasing and returning government lands, annulling agrarian reform. This is something that only the National Assembly could do if its members were totally "apolitical."

The people are already feeling the whip of the technocrats and their government. However, the people are not as ignorant now as they were during the Somoza era. Now the people have leaders in all areas. There are leaders who were imprisoned and who risked their lives in city streets and in the mountains. There are leaders who do not tremble at the bombastic rhetoric of an arbitrary and arrogant Labor Minister, nor at Mayorga's insults and lies.

Violeta, you still have time to rectify things! Your reconciliation policy has turned into a lie. Let us rescue it in the name of Pedro Joaquin, who really loved his people. Do not forget that you swore to respect the "Constitution" which prohibits the activities of any individual, group, or party that proposes the return of Somozism.

Panama

Attorney General Could Seek Noriega's Extradition

PA2505193090 Panama City LA PRENSA in Spanish 24 May 90 p 1

[Report by Nubia Aparicio]

[Text] Attorney General Rogelio Cruz has told LA PRENSA that if it were necessary to request Manuel Antonio Noriega's extradition, the Attorney General's Office would not hesitate to ask the Foreign Ministry to do this.

Cruz said that when an accused person is in another country and is being subjected to a penal process there, a sort of "conflict of jurisdiction" takes place that requires resolution through the appropiate courts.

In principle, the Attorney General added, "the extradition of Manuel Antonio Noriega would be requested like any other person who is abroad and has charges pending here in Panama."

Even though Cruz said that "the affair is rather complicated" he gave assurances that when the Attorney General's Office feels it necessary to request the extradition of the former military officer so he can be tried, he will do so. He added that "we will see afterward what conflicts this action may produce."

The first request to try the former head of the defunct Panamanian military institution in Panama was made recently by First Prosecutor Guillermina de McDonald. The request was based on the indictment for human rights violations against journalist Homero Londono, of which the former military man appears to be the mastermind.

Case No. 187 of the Attorney General's office charges that former G-2 officers Felipe Camargo and Guillermo Wong are also criminally responsible and should be called to trial like Noriega.

Former General Noriega presently has the most accusations pending before the Attorney General's office.

Foreign Minister Julio Linares said that if there are sufficient reasons to call Noriega to trial, the Attorney General's office should report this to the Foreign Ministry to request his extradition.

The foreign minister also said that the extradition of Gaspar "Toty" Suarez had been requested but the Cuban Government had not replied, therefore, "we shall repeat the request to that country."

Suarez' extradition was requested after Armando Moran's murder case, in which Suarez is "heavily implicated," was reopened.

Foreign Minister on Future U.S. 'Presence'

PA2605234690 Paris AFP in Spanish 2042 GMT 26 May 90

[Report by James Aparicio]

[Text] Panama City, 26 May (AFP)—The Panamanian Government will demand that the U.S. military leave Panama after the year 2000 to comply with the canal treaties, although it is willing to study any petition made after that date, Foreign Minister Julio Linares has announced.

"Our government does not plan to extend the U.S. military presence beyond the year 2000," Linares told AFP.

The United States has about 13,600 U.S. soldiers in 14 military air, naval, and land areas to defend the canal, according to the provisions of the Torrijos-Carter treaties that expire in the year 2000.

"Before we discuss anything else, all the installations must be returned to Panama," Linares warned, although he added that if the United States presents a request "that does not harm our sovereignty but, to the contrary, helps us, perhaps we can grant this."

The canal neutrality treaty signed in 1977 by President Jimmy Carter and General Omar Torrijos, along with other treaties, foresees "concluding an agreement or arrangement" for possibly maintaining the U.S. military bases in the country.

Linares said that Panama has requested that the United States "begin pulling out the military forces stationed in various points of the national territory," and that it abide by "the Torrijos-Carter treaties."

Linares added he hopes that when Panama attends the OAS meeting in Paraguay on 4 June, "Panama will be a country free of U.S. soldiers."

Despite this optimism, the Southern Command said two weeks ago that Panama has "temporarily granted" U.S. forces the use of Amador; the strategic Naos, Perico, and Flamingo Islands; and a military fort in Colon, about 130 km west of Panama City.

Similarly, the opposition condemned the fact that U.S. troops also occupy the Rio Hato military base in Cocle, 250 km west of Panama City, and are conducting military operations in Darien, near the Colombian border, and in Chiriqui, near the Costa Rican border.

Journalist Luis Restrepo Rosas, an expert on canal treaty issues, said that since 1978, there have been more that 50 civilian violations of the treaty and 86 military violations, and that the treaties were annulled by the U.S. military invasion of last December.

When consulted about the current state of diplomatic relations with the United States, Linares described them as "cordial," although he regretted some "indiscreet and unreal" remarks by some U.S. military officers who have created a conflicting situation.

Marc Cisneros, chief of the U.S. Army South, said on Thursday, 24 May, that a group of U.S. soldiers will remain indefinitely in Panama, and he disclosed that three U.S. officers are working as "liaison officials" with local authorities in the nine provinces of Panama.

Endara, Ford Comment on Approval of U.S. Aid

PA2505200290 Panama City Circuito RPC Television in Spanish 1730 GMT 25 May 90

[Statements by President Guillermo Endara and Second Vice President Guillermo Ford during a news conference at the Presidential Palace in Panama City on 25 May—recorded]

[Text] [Endara] The Panamanians must see this aid as what it really is. It is not a panacea that will solve all our problems as if by magic. It does not even guarantee an economic recovery. We will achieve that recovery on our own, with our work, our joint efforts, and our decision to unite wills for the achievement of a common goal—the welfare of all and the elimination of poverty. We will achieve this goal to strengthen the democratic system we want to attain and to effectively make a reality the true liberty all Panamanians desire.

The aid we will soon receive will be wisely used in carefully planned programs to give the greatest benefit possible to all Panamanians. However, nothing will replace the hard work that is necessary to get us back on our feet and the enthusiasm and faith we have in our own capabilities. The success we eventually achieve will belong to all Panamanians, just like the pride of being able to better our situation with the help of our friends—but primarily thanks to our own efforts. We have started with a firm and sure step, but a long road still lies ahead.

[Ford] Initial talks have been held between the Ministry of Planning and Economic Policy and the representatives of the U.S. Agency for International Development [AID], which will be in charge of supervising and dispensing these funds. The following amounts have been provisionally earmarked:

—$95 million will be used for the Panamanian Government's projects in the infrastructure sector. The details are being prepared by the Ministry of Planning and Economic Policy based on recommendations from the various agencies of the Panamanian Government.

—$108 million will be used to revitalize the Panamanian economy. The funds will be channeled through local banks, but they will be used initially to enable us to unfreeze the bank deposits. It is essential that this mechanism of financial mediation, meaning the Panamanian banking system, quickly release the funds in long-term deposits so the country can achieve financial stability.

—$20 million will be used—all this is subject to the approval of the cabinet council and the honorable Legislative Assembly Budget Commission, of course—as starting capital for the FES, Special Social Fund, program. This program has already been completed by the Ministry of Planning and Economic Policy, and it foresees additional donations for up to $250 million during a three-year period to create approximately 30,000 jobs so the economy will be immediately and permanently strengthened.

We also have money earmarked for the health sector, for agrarian and livestock development, and particularly for the judicial branch. A sizable amount has been earmarked to strengthen the Supreme Court of Justice and the entire judicial system in our country. In sum, Mr. President, we are pleased to report that all the programs have been planned, and discussed with AID, and they will soon be implemented according to the approval of the U.S. Congress.

If you will allow me, Mr. President, I would like to report that our country—as his excellency the president of the Republic has stated—depends on a basic raw material, meaning the Panamanian people's enthusiasm. The country has already embarked on its economic recovery

during the first five months of President Endara's administration. The aid is simply an additional boost to the national economy.

I want to make a contribution as chairman of the IRHE [Institute of Hydraulic Resources and Electrification]. I am pleased to report that the Board of Directors yesterday unanimously approved a resolution authorizing all of the amounts owed to the IRHE—at private, commercial, and industrial level—to be refinanced for a five-year period without any surcharges whatsoever. We simply want to give the Panamanian community truly human solutions because we are aware of the economic crisis the country has withstood in the past.

Consequently, all of the organizations or persons who have an accrued debt with the IRHE can come to its offices, effective 1 June, to refinance their debt for up to a five-year period. Mr. President, the U.S. aid, the economic programs that will be implemented, and the IRHE's support—plus similar mechanisms that will follow— guarantee that the Panamanian people will achieve what you hope for, meaning a true government of national reconstruction and reconciliation. Thank you.

Civic Crusade Leader Remarks

PA2805201190 Panama City Radio KW Continente in Spanish 1200 GMT 27 May 90

[Text] Civic Crusade leader Alberto Conte has said that the Panamanian Government authorities should never have allowed the money coming from the United States to be called aid but rather an obligation of the country that invaded our country. According to Conte, the Panamanian Government has turned out to be very submissive and obliging because it did not show the United States that it was not pleased with the formula applied and announced by President Bush to calculate the losses caused by the invasion at $1 billion. Conte asked himself: How can it be said that after two years of economic sanctions that destroyed our economy and after an invasion that caused serious problems for the country, including the looting, that only $1 billion was lost? Who came up with that figure? Conte insisted that Panama, as a government, should never have accepted that because the United States is talking about aid and not indemnification, and here we must speak of an indemnification.

Conte also talked about the victims of the invasion. He said that this is Panama's problem, however, this should not be the case because that horrible fire in Chorillo was one of the things that occurred following the invasion. I am not saying that we should fight with the United States, but we should have a stronger and more worthy position and tell the United States that this is not bargained aid, but an obligation it has to us, Alberto Conte stressed.

Foreign Minister Opposes U.S. 'Patrol' Project

PA2905002790 Panama City ACAN in Spanish 1918 GMT 28 May 90

[Text] Panama City, 28 May (ACAN-EFE)—Foreign Minister Julio Linares spoke out today against a project presented by the U.S. Administration to the Panamanian Government whereby U.S. Coast Guard vessels would patrol Panamanian waters under the pretext of preventing drug trafficking.

"I do not like it (the project) in principle because one cannot allow the U.S. Coast Guard to navigate Panamanian territorial waters as if they were their own," the Panamanian Foreign Minister said.

Linares was responding to reports that the U.S. Government had presented President Guillermo Endara's administration a patrol project for Panamanian waters to fight drug trafficking.

"Endara's government is willing to fight drug trafficking, but it does not have to be at the expense of our jurisdiction and national dignity," the minister underscored. The foreign minister said there had not been any exchange of notes between the two countries over this project, which would allow, according to Linares, a National Maritime Service (SMN) officer from Panama to be aboard the U.S. vessel during the isthmian coast patrol.

Endara recently sent George Bush a letter expressing his willingness to jointly fight drug trafficking with other countries—including the United States—and, according to the foreign minister, the U.S. Administration presented the patrol project in response. The U.S. Administration has not issued any official report on this matter.

Linares insisted that he disagrees with the terms of the project presented but refused to give details on the proposal, arguing that talks on the topic "are just budding."

The minister said that the project should be studied by the Panamanian Foreign Ministry and after the Panamanian Government has expressed its viewpoint, "we could sit down and discuss it." He insisted that for the time being, "I do not like the plan; it does it please me."

Comments on Other Issues

PA2905143190 Panama City Radio KW Continente in Spanish 1212 GMT 29 May 90

[Italicized passages are recorded]

[Text] Foreign Minister Linares has said that the Foreign Ministry is prepared for any government decision concerning compensation for those killed on 20 December.

[Linares] *As I said, if the Panamanian Government decides to request indemnification and compensation, it*

will request it. However, I believe that although this decision has not been made, the Foreign Ministry should be ready for it.

On Saturday, 26 May, Foreign Minister Linares will go to Paraguay to attend the OAS meeting. Referring to the position he will take at that meeting, Linares said:

[Linares] *I believe it is important for the OAS to realize that its main duty is to consolidate democracy on our continent. It is not possible that 100 years after the creation of the first inter-American or pan-American entity—as a group, not as an organization—and 52 years after the creation of the OAS, Latin America and the OAS are still unable to defend democracy on our continent. I feel that this is unacceptable at this point.*

[Unidentified reporter] *Regarding the former military officers who sought asylum at the embassies, what [words indistinct]?*

[Linares] *That is being handled through diplomatic channels.*

Referring to the military occupation on our territory, Linares stressed:

[Linares] *Concerning this occupation, I want to note that all state duties were in the hands of the country that occupied us. However, we must reject the attempt to make us look like an occupied territory right now, because public power in Panama, through the executive, legislative, and judicial branches, is being exercised without any foreign interference. Thus, we must reject the idea that Panama is an occupied territory. If by occupation it is meant that there are installations being occupied by the United States—just as it had been occupying the causeway until today and just as certain forces are perhaps still occupying certain places of the Republic—and if we want to apply the occupation concept strictly in that respect, then we are talking of occupation.*

Linares expressed opposition to a project that the U.S. Administration presented to the Panamanian Government. According to this project, U.S. Coast Guard launches could patrol Panamanian waters to prevent drug trafficking.

[Linares] *There has been no exchange of notes about allowing U.S. Coast Guard boats to have a presence here in Panama. The United States has presented a draft agreement which, among other things, intends to allow U.S. Coast Guard boats to patrol Panamanian waters as long as there is a Panamanian officer on these boats. I disagree with this, in principle.*

As for the objectives of these patrols, Linares explained:

[Linares] *It would be to suppress or help suppress drug trafficking.*

DRP Requests Documents From U.S. Military

PA2905222390 Panama City LA PRENSA in Spanish 18 May 90 p 2A

[Resolution issued by the Directorate for the Recovery of State Property, DRP, on 16 May; place not given]

[Text] The Directorate for the Recovery of State Property:

Whereas;

1. In the early morning hours of 20 December 1989, the U.S. Army began an armed action codenamed "Operation: Just Cause" against the Panama Defense Forces [FDP], at that time led by Manuel Antonio Noriega, and as a result of this action, the military dictatorship that had been controlling the country came to end and the constitutional president of the Republic, elected by the Panamanian people on 7 May 1989, was able to assume office;

2. During this action, the U.S. Army seized a large number of documents located at the various installations of the defunct FDP, as well as a Burroughs Galaxy computer and the computer's magnetic archives;

3. The comptroller general and the DRP chief magistrate have taken steps to obtain access to the aforementioned documents related to the handling of public funds and properties by members of the defunct FDP, to the aforementioned computer system, and the information contained in that system and respective magnetic archives;

4. It is up to the Comptroller General's Office, based on the Constitution (Article 276, numbers 3, 4, 6, and 11) and Law 32 of 1984 (Article 11, numbers 2, 3, and 4, Articles 17, 18, 25, 26, 27, 28, 29, 30, 55—letters F and K—and Articles 75, 81 and 82), to investigate all matters related to the handling of public funds and properties;

5. Background Report No. 1 of 1 March 1990, forwarded by the comptroller general to the DRP, contains the findings of auditors of the Comptroller General's Office in connection with irregularities in the handling of public funds and the unlawful disposal of said funds, and former FDP members, among others, who appear to be linked to these irregularities. These irregularities have affected National Treasury funds in the hands of that institution, known as the Operations Fund (No. 00-09-0302-1), the Special Fund (No. 04-69-0303-0), and the Panama National Guard Advanced Fund [Fondo de Adelanto] (No. 04-72-00539). In addition, funds, in cash, were withdrawn from Public Treasury accounts through the use of debit notes for a total of 41,393,516.92 balboas from 18 January to 30 November 1989;

6. Upon receiving Background Report No. 1, the DRP became aware of this transaction and issued Restitution

Decree [Resolucion de Reparos] No. 1 of 7 March 1990 against persons linked to the aforementioned irregularities;

7. The investigation to which Background Report No. 1 corresponds is not exhaustive and covers a very limited time span. In addition, the DRP has learned of the existence of checks and additional operations, and they are now being investigated through a frame-by-frame review of microfilms of National Bank transactions. As a result of this investigation, for example, we found check no. 65823 of 27 April 1984, issued from the Operations Fund account to Jose Ramon Escobar in the amount of 3 million balboas, and signed by Julian Melo and Marco Justine [former members of the FDP General Staff]. The check was cashed by the payee at a National Bank window;

8. Frame-by-frame review of the National Bank transaction microfilm is extremely slow and time-consuming, and for Panamanian justice to be adequate, expedient, and efficient, it is necessary to examine the documents and the computer system captured by the U.S. Army during the armed operation that began on 20 December, because they contain the evidence that corresponds to the handling of public funds and property by the FDP members;

9. In conformity with Article 6 of Cabinet Decree No. 36 of 10 February 1990, once the DRP learns of a deal, the said entity can "order the implementation of all actions it deems appropriate to expand the information and documentation that serves to corroborate the background report;"

10. The documents and computer system captured and withheld by the U.S. Army belong to the Republic of Panama and, therefore, access to them and their free examination and recovery cannot be denied to Panamanian authorities, who the Constitution and the law have empowered to investigate and examine evidence concerning irregularities incurred in the handling of public funds and property, and who are empowered to decide the liabilities on state property persons linked to these irregularities may face;

11. The impossibility of having access to them, freely reviewing and recovering the aforementioned objects, is based on an unacceptable de facto situation, which constitutes a grave obstruction of Panamanian justice, as well as violation of clear constitutional and legal norms;

12. The DRP has evidence that Judge William Turnoff of the "U.S. District Court of Southern District in Florida" [passage within quotation marks published in English] issued a ruling on 23 January 1990, whereby that U.S. Federal Court, among other things, ordered that all U.S. Government entities and agencies, including that country's Army, abstain from continuing to destroy documents captured by the U.S. Army during "Operation: Just Cause" begun on 20 December 1989, and to allow free access for review of said documents to persons who are standing trial in the United States for federal crimes; and

13. In view of the foregoing, Manuel Antonio Noriega, among others, has free access to the said documents to obtain evidence to be used in his defense. Meanwhile, the Republic of Panama does not have access to the said documents to be used as evidence in ongoing or future trials that should be opened as established by Panamanian law.

Resolves;

1. To order the perusal by and delivery to the Republic of Panama the evidence contained in the documents and computer system captured at the installations of the former FDP by the U.S. Army during "Operation: Just Cause." These documents, which are now in the hands of the U.S. Army, belong to the Republic of Panama. They confirm the handling of national funds and property by former members of the FDP;

2. To order Major General Marc Cisneros, Commanding General, U.S. Army South stationed in Panama, to order the steps necessary so the DRP, as well as personnel and officials that it may appoint, shall have free access to the evidence contained in the documents and computer system captured by the U.S. Army during "Operation: Just Cause" on 20 December. These documents and computer system contain evidence of the handling of national funds and property by members of the former FDP; and

3. To order the trial judge, through a written note, to appoint the personnel and officials that should examine and obtain the evidence referred to in this resolution.
Legal Basis: Article 6 of Cabinet Decree No. 36 dated 10 February 1990.
To be announced, published, and complied with,
Gonzalo Mendez Franco, trial judge
Eduardo Lombana, magistrate
Rogelio Arosemena, secretary.

Bush, Gorbachev Asked To Discuss 'Occupation'

PA3005045590 Panama City ACAN in Spanish 2258 GMT 29 May 90

[Text] Panama City, 29 May (ACAN-EFE)—Central organizations of workers and other Panamanian opposition sectors today sent a letter to U.S. President George Bush and Soviet President Mikhail Gorbachev, asking them "to discuss the U.S. occupation of Panama" in their current summit meeting. The signers, most of them with ties to the ousted regime of Manuel Antonio Noriega, ask Bush and Gorbachev "to reach agreements that end of the occupation, respect Panamanian sovereignty, and commit the United States to complying with the Torrijos-Carter Treaties" on the Panama Canal.

In addition, they ask that "just compensation" be established for this country and that the two powers pledge to

"reach the third millennium with a world free of foreign military bases, which entails the U.S. obligation to leave Panama forever." Among those signing the letter to Bush and Gorbachev are leaders of the Panama National Human Rights Commission [Comision Nacional de Derechos Humanos de Panama], the National Central Organization of Panamanian Workers, the National Federation of Associations of Public Employees, and the Journalists Association of Panama. Those organizations feel that the "(December) military invasion and subsequent political and military occupation of Panama" constitute a "an extraneous and perturbing element to the atmosphere of understanding and cooperation that fosters a climate of international security." The letter accuses the United States of war crimes and states that "Washington has erased a sovereign country from the map of Latin America" to replace it with "a protectorate that has a U.S. delegate working in each office and administrative agency."

Commerce Study Reveals Upsurge in Economy

PA2705192390 Panama City LA ESTRELLA DE PANAMA in Spanish 23 May pp 1, 2

[Report by James Aparicio]

[Text] A study conducted by the Panamanian Chamber of Commerce and Industries has revealed that the national economy has recovered three percentage points in the garment, foodstuffs, transport, medical, banking, and insurance sectors.

The study by the Chamber's Center of Economic Studies estimates that sales increased during the first three months of 1990 and only 39.5 percent of business establishments declared a decrease.

The study used a sampling of 190 enterprises that are members of the chamber. This represents 19 percent of the total membership.

According to the study, the construction, tourism, distribution, media, finance, farm cattle, and furniture sectors reported a decrease in sales and income.

The Chamber, however, forsees "substantial" increases of 18.4 percent in the construction sector, 12.8 percent in the professional services sector, and 11.4 percent in the medical and chemical products sector.

Despite certain encouraging figures, the Chamber of Commerce said it is "very concerned" about the employment situation because many of the employees dismissed in 1989 in the construction, finance, media, banking, and insurance sectors, have not been reinstated.

Of the enterprises surveyed, 70.5 percent reported profits in the first three months of 1990, while 29.3 reported losses.

As for the looting that occurred between 20 and 25 December 1989, 36.3 percent of the enterprises said they were looted, while 63.7 percent said that they had not been affected by the December incidents.

Only 3.7 percent of the enterprises that were looted said they could not continue operating.

Police Director Discusses Public Force, Noriega

PA2805161590 Panama City EL SIGLO in Spanish 21 May 90 pp 27, 7

[Report by Aneldo Arosemena]

[Text] National Police Chief Eduardo Herrera has made the following statement to EL SIGLO: I graduated from a military academy but I share the opinion that Panama does not need an army. Armies, he added, are very expensive, and Panama does not have any problem with any of its neighbors. He said that 250 officers who openly supported Manuel Antonio Noriega have been dismissed so far.

Eduardo Herrera, 47, is a thin and affable man. In 1977, when he was a major and Omar Torrijos' escort chief, the Panamanian strongman jokingly told him, "You are going to be the next general." This earned him Noriega's hatred and envy. Herrera received this EL SIGLO correspondent in his office, the former Traffic Department offices of the dismantled Panama Defense Forces [FDP], to explain to the people the organization of what will be a new National Police Force.

The police chief agreed that the members of his institution must not exercise the right to vote while in active service because "Panama must be a little more mature before policemen may exercise the right to vote. I would go as far as suggesting on behalf of my companeros that we do not vote as long as we are in active service."

Referring to the public letter that police officers recently made public and that drew criticism and fear from some sectors that saw it as a manifestation of "a scheming and belligerent attitude," Herrera said that the group advising the government on the organization of the new Public Force suggested that the people should know the feelings of officers who suffered prison for fighting Noriega and who now form part of the new institution that will protect the new democratic order. "I think that at a moment when all the Panamanians want reconciliation and progress, such a declaration was important."

Herrera emphatically denied that the Panamanian policemen are just waiting for the "gringos" to leave the country to attack democracy. "This is false," the military-man-turned police chief said. What we do want, he said, is to build a country where our children and grandchildren may live in peace. He said: "The nightmare of the Noriega dictatorship that abused so many Panamanians, both civilians and military, must never return."

When asked if the FDP officers knew that former General Noriega was involved in drug-trafficking activities, Herrera said: "We had no evidence. We knew that there

were strange things because of the way he acted, the friends he had, the protection he provided. Many officers were concerned because we were seeing that the institution was on the wrong path under his leadership."

Regarding the future of the Public Force, Herrera said that Panama has the opportunity to create a very special and very Panamanian kind of police force, one with a democratic orientation and capable of satisfying the country's police needs.

Herrera said that so far nothing has been decided on how large the Public Force will be because the National Assembly will make this decision after it discusses the institution's laws. The instructions we have from the president are that, in the future, persons recruited by the police must be at least high school graduates, Herrera said. Regarding training, Herrera reported that Panamanian policemen are receiving training and advice from the United States, and there are plans to send a group of students to that country for training. Others will be trained in Panama. The training will be strictly of a police nature because the U.S. Army is not participating in it.

Herrera said that there is no known Noriegist in the Public Force and that, if there were, the people would denounce him. He noted: "Any person who feels that, in the days of the Noriega dictatorship, he was victimized by someone currently in the Public Force has the right to file charges at the District Attorney's Office so that the necessary legal procedures can be initiated."

Herrera confirmed news reports that military men opposed to Noriega maintained contact with the Christian Democratic Party [PDC] and plotted together to overthrow the narco-dictator. Herrera explained that contact was maintained not only with the PDC but also with other Panamanians opposed to Noriega. "In the struggle against Noriega, the parties, the military, and the masses united against him," Herrera said.

Herrera said: "My family suffered greatly during the years I lived in exile. I want to retire to relax and dedicate time to my family. My job is at the disposal of the president, and he is the one who will decide if I should leave now or later. This is up to him." Herrera said that he has been in the service for 23 years and would have been able to retire in June of last year but, since he was out of the country for two years, "now I have to stay two more years, unless the president decides otherwise." Herrera said that he probably will be retiring before President Endara concludes his presidential period.

Regarding the so-called "Black Friday" of 10 July 1987, when the FDP brutally repressed Civic Crusade members throughout the capital, Herrera, who headed the group that repressed the Civic Crusade members in the Carmen Church, said that it was at that church that he made many friends among the members and shouted slogans against Noriega, something that all the newspapers reported the next day. Herrera noted: "I had to ask Mayin Correa, who is a friend of mine, to write an article strongly criticizing me because the FDP staff was questioning my Black Friday attitude."

Herrera said that when Noriega ordered him to come from Israel and place himself at the head of the troops confronting demonstrations, the dictator did it to set him up. "He knew," Herrera said, "that I was highly appreciated within the FDP and by the political parties. What is curious is that there were some demonstrations that week, and the names of the officers who would be confronting the demonstrators were never announced. However, my name was announced as if I were commanding all the troops, when the truth is that each group worked separately."

One of the objectives of the president is to purge the Public Force of Noriegists. Only a few remain. It is possible that there may be some here who have not been detected yet, but the people will help us find them. There is the case of [Colonel Aristides] Valdonedo. Charges have been filed against him. He claims he has not done anything; it will be the courts that will rule on this. Herrera said: We are not judges. I cannot dismiss a unit just because someone tells me: "He beat me up, so kick him out." The courts will rule on this.

The police director reported that in his office he receives daily threatening phone calls from people who accuse him of being a traitor. The callers claim they are going to kill him and that they belong to the 20 December Movement [M-20].

Herrera confirmed that from his cell in Miami, Noriega maintains communication with his friends in Panama through fax and telephone. "I asked General Marc Cisneros about this, and he told me that as long as no sentence has been passed on a person, that person enjoys many rights. This is democracy. Noriega is calling many people. Some are scared. Some people are not paying attention to him but others are." The Public Force chief said he has spoken with a person he knows and who is a friend of Noriega, and this person told him in confidence that Noriega has called him and that he does not know what to do. That person told Noriega not to call him again, that the country is quiet. He also said he is going to change his fax number so Noriega cannot continue to call him.

Herrera stated: "I believe Noriega wants to create chaos and destabilization because, in his mind, there is only room for evil." Herrera explained that he does not believe Noriega's calls have anything to do with the brutal infanticide of the grandson of former Colonel Marcos Justines. Herrera said: "That was a matter of personal ambitions." He noted that many government authorities receive threatening calls from the M-20. The threats are somewhat incoherent, but I do believe that the M-20 exists, Herrera said.

The National Police director appealed for reconciliation among all Panamanians noting that those who committed abuses must be punished, but with a sense of

justice. He said that the seed of hatred planted by the narco-dictator must never again be allowed to germinate.

Commission Created To Review Public Force

PA2705190090 Panama City Circuito RPC Television in Spanish 2300 GMT 16 May 90

[Italicized passages are recorded]

[Text] The Civic Crusade, during a press conference on 16 May, introduced the National Commission that will study and present to government branches the proposals that some guild and civic organizations consider essential for restructuring the Public Force. Commission spokesman Fernando Boyd made the following announcement:

[Boyd] *Since 3 January of this year the National Civic Crusade has been advocating the creation of a commission to promote a discussion on the feelings of the majority of the Panamanian people about the so-called Public Force. We hereby formalize the creation of a National Commission, made up of esteemed people who have credibility among the Panamanian people, to serve as a depository for the suggestions and proposals made by the country's organized groups as well as all Panamanians regarding such an important topic.*

I would now like to introduce the members of this National Commission. To my left, businessman Juan Jose Garcia; next Reverend Manin Suarez; to my right, Otilia Tejeira de Koster; next Arrigo Guardia; and the commission's coordinator, Tomas Herrera. For reasons beyond his control Carlos Bolivar Pedreschi, who is also a member of the commission, is not present.

Panamanian Association of Business Executives [APEDE] President Jose Raul Mulino said that the Civic Crusade has the right, as a civic group, to participate politically, and that it will continue to press for a solution to the problem until a concrete agreement is reached on how the Public Force will work.

[Mulino] *The National Civic Crusade is not an empty shell. It has the support of groups that represent the national life and that are interested and worried about the situation. For instance, the business group that I lead has statutes that compel us to ensure the good administration of the state and of public funds.*

Civic Crusade leader Tomas Herrera reiterated the necessity of taking into account the advice of other countries that have experience in demilitarization.

[Herrera] *I think that all of us in Panama need some advice, even from foreigners. Maybe we should seek advice from people from other countries, trained in this area, and not just from Argentina, El Salvador, or Spain.*

Former Public Force Deputy Director Out on Bail

PA2505164090 Panama City Radio KW Continente in Spanish 1200 GMT 25 May 90

[Text] Lieutenant Colonel Aristides Valdonedo, former deputy director of the Public Force, was conditionally released from jail yesterday, after paying a $10,000 bail bond.

Valdonedo was arrested in Panama City on 23 May in an operation carried out by members of the Judicial Technical Police, who had been looking for him for several days.

Valdonedo has been charged with closing several news media during the regime of deposed dictator Manuel Antonio Noriega, and of having ordered the arrest of citizens without justification.

Arias Calderon Views Government's Achievements

PA3005013590 Panama City EL PANAMA AMERICA in Spanish 20 May 90 pp 1A, 2A

[Interview with First Vice President Ricardo Arias Calderon by EL PANAMA AMERICA staff—place and date not given]

[Text] [EL PANAMA AMERICA] There has been a great deal of criticism of the government. What do you think of that?

[Arias Calderon] Some of the criticism is so systematic, exaggerated, or unjust that it disqualifies itself.

However, some statements deserve full consideration. I refer, for example, to the message from the archbishop and the bishops' council. The bishops acknowledge, that while reconstruction is palpable, the national community is rising up, and that in just a few months the national network of all state branches has been reestablished. At the same time, they state that, along with the problem of the national police, "other problems persist that are as acute, or more so, such as the urgent need for a government economic plan for the nation, the future of the social security system and public health, etc."

Similarly, the 14 May editorial of EL PANAMA AMERICA made an important point when it said that during the first months of this government, public opinion was focused "on the creation of an efficient and reliable Public Force," on assigning responsibility for crimes committed during the dictatorship, and on political decisions with regard to public posts, and as a consequence, the economic and social problems with which we are afflicted have been relegated to a second plane.

I personally believe that we have basically established the institutions of a democratic constitutional system, in a climate of freedom of expression and respect for human rights, and that we are achieving, day by day, greatly increased individual and collective security, thanks to the government's policy with regard to police

services, and that our people's confidence in our economic prospects has significantly increased, as was proven by the fact that when savings accounts were released, there was no flight of funds. On the contrary, bank deposits have continued to increase.

However, I also believe that we cannot stop at what we have already received, nor can we allow ourselves to get bogged down in the controversies that arise as a result of what we have done. Unemployment and all its attendant consequences continue to be our great national challenge. In the elections, we promised the people democracy and a better life. We are fulfilling the first promise. We must move vigorously to comply with the second.

[EL PANAMA AMERICA] What do you think of the proposal that a council of presidential economic advisers be established?

[Arias Calderon] It has a great deal of merit. The task of economic reconstruction, as we proposed it in the Agenda for Reconstruction, and as described by both the president and the minister of planning and economic policy, does not consist solely of reactivating our economy so that it can return to its June 1987 level, because at that time we were already in a state of crisis. The task consists of reactivating our economy so that it can move toward a new economic model, a truly Panamanian version of a social market economy. This demands reaching a consensus with regard to this objective and the basic changes that the objective requires. Without interfering in the work of the ministries that have to do with the economy, or in the field of action of the National Financial Commission, a council of presidential economic advisers, as suggested in EL PANAMA AMERICA, could make a great contribution to the overall direction of reconstruction and the support that it requires.

[EL PANAMA AMERICA] What other aspects of economic policy deserve special attention?

[Arias Calderon] One has to begin by emphasizing the importance of the preparation and approval of the national budget, the first budget in three years, and the first truly balanced budget in over a decade. The experience gained in the disciplined and level-headed implementation of that budget will be decisive for the future of public finances and for the creation of a positive climate in public administration.

If we accelerate the privatization of enterprises that have no reason to remain part of the state-owned sector, our budget picture can improve in two ways—by reducing deficit-producing activities and by obtaining resources from the sale of those enterprises by auction.

While we get the United States to make good on its offer of assistance and Asian and European to contribute with funds to restore our country's credit worthiness before international financial institutions, we need to promote local and foreign investment to generate employment. The assembly plants and tourism are two areas that deserve special attention in this regard. At the same time, we must encourage bankers and the managerial community to propose solutions and to help find ways to solve the problem of freezing term deposits. If these deposits are not unfrozen, the internal sources of investment capital will not function. Lifting this freeze would help to absorb the real estate glut and create conditions for the construction industry to recover.

It is worth pointing out that even though the possibility of obtaining new financing is limited, one can notice a sort of dynamism in the agricultural and livestock sector. This is very encouraging and we should get as much support for it as we can.

Moreover, given the impact of the IRE [Institute of Hydraulic Resources and Electrification] and Intel [National Institute of Telecommunications] on national production and international services, we must expand their maintenance and investment programs and make their management efficient. The previous government had completely neglected all these aspects, but the new government is already working on them.

[EL PANAMA AMERICA] What is your opinion of the social situation in the country?

[Arias Calderon] I believe that unemployment is the gravest social and economic problem. The Planning and Economic Policy Ministry has been working on a proposed social emergency fund program. A draft of this proposal will be presented to the Cabinet for its consideration. With this program, as soon as international funds are secured, we would have legal and institutional mechanisms to immediately finance small nongovernment projects that require mostly a labor force and materials found in the community. The effects of this fund would reach the poorest sectors of the population.

Other social situations depend more directly on our own initiative. There have been suggestions of implementing an emergency plan for the creation of jobs by the private sector, not the public sector, for a limited period of time. This would require understanding between the government, the labor unions, and business, some sort of social pact, so that the labor rights of those who are currently employed are fully respected.

Two legal tools of primary importance are needed. The country needs a new education law that inspires the work of the National Education Coordinating Commission to produce a new national education system that must be modern and democratic, that will emphasize technology without disregarding humanistic, civic, and moral upbringing. The country also needs a law to regulate a health system that should cover all the people by complementing the services of the Health Ministry with those of the Social Security institution to mutually and equitably compensate each other. In the housing sector, it is necessary to bravely use the returned areas to generate new resources and opportunities. It is also necessary to take advantage of the opportunities offered

by the new organized settlement programs to be able to respond to needs that require urgent solutions.

[EL PANAMA AMERICA] By emphasizing the economic-social agenda, are you suggesting that the government's political-democratization agenda has been completed?

[Arias Calderon] Of course not! The executive branch has submitted to the Assembly the proposed amendments to the Constitution. The proposal is intended to improve Panamanian democratic institutions, especially the Public Force. It proposes that the Constitution ban all armies, that only police forces can be organized, with a different command and roster, with no autonomy in the administrative, financial, or materiel supply sections. The bill proposes strongly reinforcing the president's civilian authority as the supreme chief of the police forces and to depoliticize the police force so that it becomes a professional organization that deserves the respect of all citizens. The bill also includes social and health matters to strengthen the autonomy of Social Security, and at the same time to clarify the concept of the integration of health services. These proposed constitutional amendments should be discussed by the Assembly at two different sessions. Then it will be subject to the final approval of the people through a constitutional referendum. This is part of the overall political agenda for democratization.

In addition, democratization is not limited to establishing democratic institutions. It demands practicing a democratic lifestyle that should develop gradually. For example, it is necessary that the clamor for justice—by all parties—be channeled through the institutions and legal procedures provided in the judicial branch and the de jure state and not outside of this path. It is also necessary that freedom of expression, which we enjoy today as never before, be exercised with increasing responsibility so that we can have better informed and more objective public opinion capable of making better judgments.

It is essential to improve and understand the role of political parties in political life and the role of the country's government, because in the modern world there cannot be a democracy without political parties playing a fundamental role. All this and much more are part of the democratization task, which consists of establishing democracy where it does not exist, as we have done. However it also consists of consolidating and improving democracy where it already exists, which we still have to do.

Arias Calderon on Meeting With Venezuela's Perez

PA2905200790 Panama City LA ESTRELLA DE PANAMA in Spanish 27 May 90 pp 1, A2

[Text] During a visit to Venezuela, Ricardo Arias Calderon, first vice president and government and justice minister, discussed several important issues with Venezuelan President Carlos Andres Perez. These issues included a request for assistance on matters related to the law enforcement institutions, which are the guarantors of human rights, the Constitution, and the laws. They also discussed Panama's progress as a democratic nation where individual liberties are fully respected.

Following instructions from President Guillermo Endara, Arias Calderon visited Venezuela from 24 to 26 May. His visit included meetings with the Venezuelan president, the minister of justice, the minister of foreign relations, the presidential secretary, and other leading Venezuelan authorities.

Arias Calderon described his meeting with President Perez as positive. He had the opportunity to discuss Panama's achievements, such as its democratic institutions, its respect for human rights, and its complete freedom of expression.

In light of Venezuela's progress in police matters, Arias Calderon asked the Venezuelan president for assistance from the Venezuelan Judicial Technical Police in the development of the Panamanian Judicial Technical Police (PTJ).

"We realize that both of our countries have economic and financial problems. I did not request that kind of cooperation. I requested cooperation from Venezuelan institutions, specifically police institutions, to ensure public security and full respect for human rights," Arias Calderon said.

•

While in Venezuela, Arias Calderon presented the package of constitutional amendments proposed by the executive branch to the Legislative Assembly. If approved, the amendments will be subject to a constitutional referendum by the end of this year or the beginning of next year. That instrument will give the Panamanian people the opportunity to confirm their confidence in the transition from dictatorship to democracy.

Arias Calderon emphasized that there is no U.S. presence in President Endara's government. He told the Venezuelan press that the presence of U.S. troops is basically in line with the Torrijos-Carter Treaties, adding that the number of those forces is already less than what existed prior to the U.S. action. We are on our way toward fully normalizing the Panamanian people's institutional, democratic, and sovereign life, he said.

Arias Calderon sent the Venezuelan president an invitation from President Guillermo Endara to visit Panama on a date to be decided upon by both leaders.

Arias Calderon's visit ended with a dinner in his honor given by the Venezuelan president at The Hall of Mirrors in the Miraflores Palace.

Bank Accounts of Former President Frozen

PA2705201890 Panama City EL SIGLO in Spanish 25 May p 31

[Text] District Attorney Cecilia Lopez has ordered the freezing of, and an investigation into, six numbered bank accounts in the Banco Germanico de Panama totalling $1.315 million and belonging to former President Francisco Rodriguez.

EL SIGLO has obtained the following information on the code numbers, amounts, and dates in which Rodriguez opened the accounts:

Numbered Account (new) 162-0083, Numbered Account (old) 160-9713; the first one shows deposits for $500,000, the other two accounts are for $415,000. [sentence as published]

Numbered accounts 150-8180, 161-0272, and 151-00290 show deposits for $400,000.

The total amount of the frozen accounts being investigated by the district attorney is $1.315 million.

"Pancho" Rodriguez replaced Manuel Solis Palma as president of the Republic. He held the post until a few days after the 20 December invasion when Noriega was overthrown.

The hand-picked president is currently at large, but he is being sought by the Judicial and Technical Police for several cases that are pending.

Former Prosecutor Miranda Discusses Suspension

PA2805022690 Panama City Radio KW Continente in Spanish 1200 GMT 22 May 90

[Telephone interview with former Special Prosecutor Rodrigo Miranda Morales by News Director Homero Londono, on 21 May; place not given—recorded]

[Text] [Miranda] Many thanks Homero Londono. I am waiting for my writ of amparo request to be decided on. This writ was presented by my legal counsel Dr. Diogenes Arosemena and was widely publicized in the newspaper LA PRENSA. I mentioned in a letter published by LA PRENSA yesterday that I believe this is going to be the acid test for the honorable Supreme Court of Justice because I believe that from then on we will know what hope we may have for recovering the justice we have been denied during all these long years of dictatorship and have it returned to its proper course in this unfortunate country of ours.

[Londono] Mr. Miranda, the statements you made in connection with what you heard on the cassette on which Ulises Nunez speaks, do you believe this is what caused you to be separated from the post of special prosecutor, or do you believe there is some other reason?

[Miranda] When the statements were made in connection with the Justine case, I understand this was the pretext they [not further identified] used; however, I have said that the real problem is that they do not want the Hugo Spadafora murder case to be investigated, and there is much more than meets the eye. Hugo Spadafora's murder involves the drug cartel and drug trafficking. Everyone knows Hugo was coming from Costa Rica with conclusive evidence of participation in drug trafficking by the Public Force or the Defense Forces, whatever they want to be called, and the involvement of General Noriega and many present government officials in drug trafficking.

Human Rights Group Says 556 Died During Invasion

PA2705201290 Panama City LA PRENSA in Spanish 24 May 90 p 24A

[Report by Zoila Rodriguez Jovane]

[Text] According to data that has been gathered by the Panamanian Human Rights Committee (CPDH), a total of 556 people—including civilians and soldiers—were killed, and at least 4,000 were wounded during the U.S. intervention on 20 December.

The dead include 2 Spaniards, 1 Colombian and 24 U.S. citizens, of whom 3 were civilians and 21 were soldiers.

CPDH President Roberto Troncoso has said that these are only preliminary figures and he does not think that the number of dead in the CPDH's final report will be as high as some political parties and local and international human rights groups contend.

Troncoso confirmed that 118 members of the already dismantled Panama Defense Forces fell while in action. The number may turn out to be higher, however, because thus far, 152 bodies have been exhumed from common graves in Panama and Colon, the sites of the main skirmishes.

He added that between 40 and 60 bodies were cremated in El Chorrillo district by its residents because the bodies were badly decomposed and the residents feared an epidemic.

The CPDH members released the figures during a news conference. They said that the figures they were "officially" announcing were based on an "exhaustive" investigation and that their sources were Gorgas Hospital, the U.S. Southern Command, the Santo Tomas Hospital, the Metropolitan Medical Complex, the Nicolas Solano Hospital in La Chorrera and the Amador Guerrero Hospital in Colon, with all of the hospitals being run by the Panamanian Government.

The CPDH members noted that a total of 248 were reported missing by friends and relatives, but 203 have been located.

Regarding the number of persons under arrest, Troncoso said that 402 are being held at the Modelo Jail and 120 at the Renacer Penitentiary for rehabilitation.

Commentary on Departure of General Cisneros

PA2505123290 Panama City EL PERIODICO in Spanish May 90 No 14 p 4

[Article by Anibal Caliban: "Good-bye to a Genocidal Man"]

[Text] Award-winning author Justo Arroyo dedicated a masterful column to Marc Cisneros' departure. Without wanting to imitate it, we cannot hold back the urge to dedicate a few lines to the topic and mention some names.

Marc Cisneros has announced his departure amid Arias Calderon's sobs. Although Cisneros made it clear that a detachment of his troops will remain in each district of the country, neither our denationalized Foreign Ministry nor the hordes of false nationalists who criticized the Torrijos-Carter Treaties and today applaud the invader have uttered the slightest protest.

Cisneros leaves convinced that the glory of victory goes with him. The Army he serves—after its shameful defeat in Vietnam, from where it was kicked out despite its genocidal barbarism—desperately needs impressive military victories, but no more Vietnams, much less any other country that can fight it on equal terms. It is better to reach an understanding with people like Gorbachev. It is all right to fight Grenada, Panama, or another underdeveloped country, and the smaller the better.

That Army was already dishonored when it dropped two atomic bombs on cities of an already defeated Japan and deliberately destroyed civilian objectives (entire cities) in Germany. Consequently, not much harm could be done with a couple of invasions conducted by men devoid of military honor, such as Cisneros.

Cisneros, do you think you are a great hero because treacherously, without warning, in the still of the night, and with high-tech military equipment you took on a small country? What combat risk did you take? What did you feel when, while swigging your beer, you gave the order to finish off the wounded? If only our fight had been staged in the jungles of Vietnam, we would have seen you flee in fear, no matter how full of marijuana and cocaine you happened to be.

Deep inside, you know you wear a uniform that does not belong to your real country. Even with your stars you will always be a third class citizen there. The idea of bringing many Puerto Ricans, Latin Americans like the Peruvian who died, and even Panamanians to accomplish the genocidal mission had to be yours. Dishonored as you are, you needed company.

You will take with you a decoration that Julio Linares, the subservient foreign minister, will bestow upon you with a trembling hand, as well as the key to the city, an emotional hug from Willy Cochez, and a meritorious citation from the civic clubs. Arias Calderon's sobs will go with you, and so will the blessings of Father Guardia, the same blessings he denied to those you killed. You will also take our first flag, Esteban Huertas' sword, and even Omar Torrijos' ashes. You will take with you the genuflections of many traitors, but also the curse of the patriots and our anti-imperialist war cry which, despite everything, you have not been able to silence. Endara will tell you that Bush has been very good to Panama because Bush asked you to kill only 5,000 Panamanians, but you will remember that you said 7,000 or nothing.

You leave us our dead, whose names you are bent on not revealing, but who nevertheless already form part of our national history. You also leave us Endara, Arias Calderon, and Ford, and their shameful court of collaborators. You also leave us Plutarco Arrocha, but you will surely find someone else to clean your boots and dust your uniform.

The peace corps will come to colonize our young, to show them the advantages of "the American way of life" and how in the great northern democracy, blacks, Mexicans, and Puerto Ricans are privileged beings whom no one dares discriminate against. Gringo ships—the latest of nationalist Linares' diplomatic achievements—will patrol our coasts, reiterating the condition of colony that your Army leaves us in.

But you are obviously unaware that Panama is much more than a country of Endaras, Arias Calderons, Fords, and Plutarcos, that not all priests ignore Christ as Father Guardia does, and that not all foreign ministers have been like Julio Linares. Panama will know how to go on and defeat this servile team and its imperialist masters.

And if your braggadocio is aimed at new military adventures in Latin America, you may be sure that somewhere the bullet of a Latin American patriot is waiting for you.

Argentina

Menems Disagree Over Economy, Other Issues

PY3005022490 Buenos Aires BUENOS AIRES HERALD in English 29 May 90 p 11

[HERALD headline: "Menem crosses swords with Zulema"]

[Text] (NA-DYN)—President Carlos Menem last night harshly replied to his wife's alleged claim that the economy would collapse in August, saying "those who think this way don't have the foggiest idea of what politics is, what the economy is, and how the country is doing."

"These persons play by ear or receive information from others who have lived in chaos and want chaos for Argentina," said Menem.

The President also alleged that the injury sustained to his right wrist was the result of a fall in the shower, adding that it would not prevent him from leaving for Kuala Lumpur today or from "signing decrees."

Early yesterday, while leaving the Mater Dei clinic after an overnight stay, Menem told a swarm of reporters that he had sprained his wrist in the bathtub and dismissed versions that he was hurt driving a high-cylinder motorcycle in the private country house of a friend. The whirlpool tub was reportedly in that same estate.

Hospital spokesmen meanwhile confirmed that Menem had suffered a hematoma, which is an internal haemorrhage caused by a blow.

The first news of Menem's accident came on Sunday [27 May] night from his aides, who said the President had been taken to a private clinic for treatment but gave no further details. The announcement sparked widespread concern.

Meanwhile, Menem is scheduled to leave today for a tour of Kenya, Malaysia, Paraguay and Italy. He will be attending talks by the Group of 15 developing countries in Kuala Lumpur, and will meet with Latin American heads of state during the Organization of American States (OAS) talks in Paraguay and watch the Argentine soccer team's World Cup kick-off match in Milan.

In related news, the President yesterday had lunch with Army Chief of Staff Martin Bonnet and other generals, as well as Defence Minister Humberto Romero, in an early celebration of Army Day (May 29).

For her part, First Lady Zulema Yoma was back in the news yesterday saying Menem's friends had managed to "abduct him."

In an alleged interview with NOTICIAS magazine, Yoma said she did not want to end up like the wife of Romania's ousted leader Ceausescu, who was executed with her partner.

Although both Zulema and her current aide and former presidential advisor, Jorge Mazzuchelli, later denied the statements, Perfil printing house last night stood by the NOTICIAS version.

Asked if the government would probe the case, Menem said: "I'm here to govern and not to spend all my life carrying out investigations. I don't pay attention to these outbursts which reflect a manifest and absolute irresponsibility."

Menem has not stayed at the Olivos presidential residence since May 8, when the media announced he had separated from Zulema. Since then, the President has stayed overnight at Government House, in the downtown flats of friends and suburban country homes. Yesterday, a top government source said Menem had bought a large flat in Palermo Chico and would be moving in shortly.

"I think he's been kidnapped," the first Lady said.

"One morning, early in May, Carlos Menem rose like usual and went to work. I'm always asleep when he leaves home. But he never returned. He never phoned me.

"I won't say our relationship is ideal or our marriage perfect. But after 24 years these things don't happen. I can't believe the person who did this was my husband, the father of my children. There is something wrong with this man. But the problem is this man doesn't understand that he is the president of the nation, and that, if he separates, the case becomes a state affair," she said.

Details of Letter of Intent Signed With IMF

PY2905174490 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1315 GMT 29 May 90

[Text] Buenos Aires, 29 May (NA)—In a letter of intent that was recently signed with the IMF, the Argentine Government has promised—among other measures—to "regularly adjust" public utility rates to keep them at their current level, to increase the value-added tax if fiscal revenues drop, and to transfer major expenditures to the provinces.

The letter of intent—which on 25 May permitted the release of a standby credit granted to Argentina—provides for a restrictive monetary policy with practically no economic growth in 1990 and for the reduction and payment of interes. of the foreign debt. The letter of intent also provides for an increased opening of the economy, for free dollar exchange rates, and for the retroactive adjustment of public sector salaries according to price fluctuation.

According to a report published today by the newspaper CLARIN, based on information obtained in Washington, in the last quarter of the year the deficit should stand at 0.8 percent of the GNP, while the annual deficit this year should be about two percent.

The balance of payments is expected to register a $450 million deficit, while gross reserves are expected to grow by $1 billion. The estimated monthly inflation rate, which is implicitly included in the letter of intent, is four percent per month for the rest of the year.

The government estimated that the economic growth will be lower than one percent this year and that over the next three or four years Argentina will be able to make only partial payments on the public sector's debt.

The letter of intent sets forth that major expenditures will be placed under the responsibility of the provinces, and that federal income will grow from 6.25 to 7.25 percent [no time span given] as a result of the fiscal reform and the reduction of inflation.

An effort will be made to reduce the transfer of funds to the provinces this year without jeopardizing social assistance, and an accord will be reached with the provinces to place high school education, housing, and highway construction expenses under their responsibility.

A new self-financed social security system will be designed for independent workers and mixed retirement mechanisms will be designed with a free choice of system by workers.

In the financial sector, the government states that interest rates will remain free, that subsidies granted through Central Bank credits will be eliminated, and that the Central Bank will tighten control over the banking system.

Reportage on Visit by PRC President Yang

Yang Arrives 26 May

PY2605140290 Buenos Aires TELAM in Spanish 1331 GMT 26 May 90

[Text] Buenos Aires, 26 May (TELAM)—PRC President Yang Shangkun arrived at 1020 today at Ezeiza International Airport on a 72-hour visit to Argentina, which is the first visit by a PRC chief of state to Argentina.

Yang, who was received at Ezeiza by PRC Ambassador Li Guoxin, will take an Argentine presidential plane from Ezeiza to the metropolitan Jorge Newbery Airport, where he will be officially welcomed by Argentine President Carlos Menem.

Meets Menem; Cavallo Comments

PY2705002090 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2300 GMT 26 May 90

[Excerpt] Buenos Aires, 26 May (NA)—President Carlos Menem met with his Chinese colleague Yang Shangkun today at Government House. During the meeting, which lasted for just over one hour, Menem told Yang that he would begin an official visit to the PRC on 15 November 1990.

Foreign Minister Domingo Cavallo, who participated in the meeting, was charged with informing journalists [words indistinct] formulate remarks while Menem remained in his office after conclusion of the meeting.

Commenting on the meeting between the two chiefs of state, Cavallo indicated that "a series of bilateral topics" were discussed and confided that Menem "expressed Argentina's interest in purchasing coal from China and his desire that the Chinese increase their purchases of wool."

"Reciprocal lines of credit for bilateral trade were also discussed and the two governments expressed their desire to renew them to encourage continuity of trade," Cavallo indicated.

The foreign minister, who accompanied Yang into the White Room as he greeted the diplomatic corps—including Apostolic Nuncio Monsignor Ubaldo Calabresi and U.S. Ambassador Terence Todman—reported that "the president had expressed his thanks for the donation of 1,200 bicycles that the Chinese Government made through our country's Public Health and Social Action Ministry."

"President Menem asked his Chinese colleague about the progress being made in the return of Hong Kong and Macao to the sovereignty of China, and he also expressed his concern regarding the return of Taiwan," Cavallo said.

The foreign minister explained that Menem told Yang that "the Chinese experience in applying the principle of territorial integrity is very important and relevant for Argentina because of our eventual future relations with the United Kingdom regarding the sovereignty of the Malvinas Islands."

Cavallo also highlighted the fact that there is the possibility that China will offer our country "the services for the [words indistinct] consisting of 12 channels," and he stressed that the visiting chief of state indicated that "in this respect a concrete offer will be made, and that there is the possibility of cooperation in the aerospace sector." [passage omitted]

Cultural, Visa Agreements Signed

PY2905151090 Buenos Aires TELAM in Spanish 2352 GMT 28 May 90

[Text] Buenos Aires, 28 May (TELAM)—Argentine President Carlos Menem and PRC President Yang Shangkun today signed agreements for cultural cooperation until the year 1992, and an agreement that will expedite the granting of visas to diplomats of the two countries. Today was the last working day for the visiting president.

According to Argentine Foreign Minister Domingo Cavallo, the commercial agreements between the two countries will be formalized during Menem's visit to the PRC on 15 November this year.

During their talks, the two presidents discussed the possibility of renewing mutual lines of credit. The PRC president asked that a $300 million line of credit be renewed and Menem promised to renew it "as soon as possible," Cavallo added.

The Argentine Government also asked for the renewal of a line of credit that expires at the end of the month, and conveyed its interest in increasing its sale of wool to the PRC. In turn, the Chinese mentioned the possibility of selling coal to Argentina.

After the agreements were signed at the White Hall of Government House, Menem stated the Argentine Government desire to "expand and to further improve our relations with the PRC," and emphasized its intention to "increase trade."

Menem also said that "the PRC is one of the countries that gives us a large trade surplus and we plan to increase our trade with it in the same proportion that they increase operations with our country because we want to further expand and improve our relations."

Yang Shangkun visited the Government House at 1655, where he was received by President Menem. The two presidents talked for about 45 minutes and then went to the White Hall where the protocols were signed.

The Argentine representatives included Economy Minister Erman Gonzalez, Foreign Minister Domingo Cavallo, Public Health and Social Action Minister Eduardo Bauza, and Secretary General of the Presidency Alberto Kohan.

After the ceremony President Yang donated 1,200 bicycles to the Argentine Government. The bicycles "will be sent to a social [words indistinct]," Menem promised.

Menem thanked the PRC president for the donation and expressed his hopes that "these bicycles will be very different to the financial bicycles that are no longer in use [referring to a system, popularly known as the "financial bicycle," of constantly moving personal finances between the foreign exchange market, the stock market, and savings accounts, as practiced until recently], but that these bicycles will become a genuinely popular means of transportation, just as in the PRC."

Yang will return to his country [as received—Yang will depart for Santiago] tomorrow at 1000. Menem will bid him farewell at 0900 at the Metropolitan Airport, where the PRC president will board the Argentine presidential plane to fly to the Ezeiza International Airport where he will change planes.

Yang Shangkun today visited the Congress where he was received by Senate President Eduardo Duhalde, and by Senators Eduardo Menem and Saturnino Aranda, the presidents of the Senate and the Chamber of Deputies Foreign Relations Commissions, respectively.

In the afternoon Yang visited the Supreme Court where he met with Supreme Court President Ricardo Levene and the other Supreme Court justices.

A PRC delegation headed by Vice Premier Wu Xueqian, meanwhile, visited the industrial plant of the SIDERCA [expansion unknown] in Campana, Buenos Aires.

Last August the firm exported 127,000 tons of seamless pipe for use in oil wells to the PRC.

Details of Cultural Agreement

PY2905183490 Buenos Aires TELAM in Spanish 0008 GMT 29 May 90

[Text] Buenos Aires, 28 May (TELAM)—The cultural exchange agreement that Argentine President Carlos Menem and PRC President Yang Shangkun signed today includes "the cooperation between the news agencies of the two countries" and the visit of various artistic groups.

The program states that Argentina will sponsor the presentation of a Tango orchestra in the PRC and that the PRC will sponsor the visit of an artistic delegation to our country.

The program also includes the presentation of the General San Martin Municipal Theater's puppet show in the PRC and an exhibition of paintings of Chinese peasants in Argentina.

In the area of communications, the two countries agreed "to stimulate the cooperation between the news agencies of the two countries and to increase the friendly visits of journalists from both nations."

Both parties "will consider the possibility of an exchange of delegations to study the news broadcasting system in each country."

The agreements stressed the need to stimulate "the exchange between record and video cassette recording firms and the donation of publications for the libraries of each country."

News Conference Restricted

PY2905122090 Buenos Aires DYN in Spanish 2334 GMT 28 May 90

[Text] Buenos Aires, 28 May (DYN)—A news conference that Chinese President Yang Shangkun was to have held following his visit to Argentina was frustrated tonight after the police, citing "orders from above," prohibited journalists from entering.

The police only permitted the entry of representatives of the official news agencies TELAM and XINHUA and the "Diplomatic Agenda" program that is broadcast by the state-owned Argentine Color Television station.

No explanations were given about the unusual decision that prevented dozens of reporters, photographers, and cameramen from entering the Alvear Hotel halls

where—according to several official announcements—important bilateral announcements would be made public.

A high ranking federal police officer who was responsible for the security apparatus presented his excuses to the journalists and said that they had strict instructions to allow only the official press representatives entry.

Pressed by the journalists, the overwhelmed police officer said: "I am sorry, only those on the list can enter; it seems like they want to select the people."

The situation became even more complicated when an Amnesty International delegation tried to deliver a petition to the visiting president on the bloody events that occurred last year at Tiananmen Square in Beijing.

The hotel's public relations manager ordered the removal of a banner that the human rights activists had unfolded in front of the building and asked them to request a meeting with one of the representatives of the Chinese delegation.

Hugo Relva, the Amnesty International representative, was only able to talk with a member of the security apparatus who asked him to leave the petition at the hotel's reception.

There was a minor argument between a photographer of the newspaper LA RAZON and another federal policeman, who, at that moment, seemed to have lost control of the situation.

The photographer wanted to take a picture but the policeman prevented him.

"This is a public place," the photographer said, exasperated.

"It is forbidden to take pictures of the Chinese gentlemen," the officer said in a supplicating manner.

Another police officer tried to calm the situation and talked with the correspondent of a foreign news agency, hoping to define responsibilities.

Visit Repudiated by Groups

PY2905181490 Buenos Aires DYN in Spanish 1710 GMT 29 May 90

[Text] Buenos Aires, 29 May (DYN) — The University Federation of Buenos Aires [FUBA] today repudiated Yang Shangkun's visit to the country. They indicated that "he was one of those responsible for the massacre of students in Tiananmen Square" on 4 June 1989.

In a communique signed by FUBA President Oscar Garcia and Gabriel Puricelli, the human rights secretary, the FUBA indicates that "although the official reports talk about the 'illustrious visitor,' the blood of the students that fought, and are still fighting, for democracy is the stain that will never be rubbed from the clothes and conscious."

"To repudiate this visit is the best way of recalling those who fell fighting against the perverse policy of those who have freed markets but who are incapable of freeing the thoughts of the heroic people of the long march," the communique adds.

[The BUENOS AIRES HERALD in English on 27 May, page 4, carries an item detailing the Movement Toward Socialism [MAS] rejection of Yang's visit. The "Trotskyist" MAS expressed "solidarity with the student and working class victims of (PRC) repression."]

President Menem Departs for Travel Abroad

PY2905160090 Buenos Aires TELAM in Spanish 1552 GMT 29 May 90

[Text] Buenos Aires, 29 May (TELAM) — President Carlos Menem departed at 1234 [1534 GMT] from the Ezeiza International Airport on board a T-01 plane. He is traveling to Kenya, thus beginning a 12-day trip that will include Malaysia, Paraguay, and Italy.

The chief of state is traveling with Foreign Minister Domingo Cavallo and Brigadier General Andres Antonietti, the chief of the Military Household, among other officials.

Bolivia

Details of Paz-Bush Annex Three Revealed

PY2905150490 La Paz La Red Panamericana in Spanish 1130 GMT 29 May 90

[Text] The government has confirmed that five Army battalions will be trained to fight drug trafficking. Also, airplanes and war materiel will be supplied to the Air Force and the Navy as part of the economic cooperation program that provides aid amounting to $33 million—to be granted by the U.S. Government for the 1990 fiscal year for counternarcotics actions in Bolivia.

This has been fully confirmed by what is contained in Annex Three that was distributed on 28 May by the foreign, presidency, and information ministers, together with other documents that include Annexes One and Two, the notes on trade and investment—signed by Presidents Paz and Bush—and economic recovery, and other documents related to U.S. cooperation in Bolivia's health sector.

The nature of the economic aid that refers to a plan to increase the participation of the Armed Forces in the fight against drug trafficking will be stipulated through letters of offer and acceptance, or notes, and of implementation signed by officials of the two governments.

Annex Three also confirms that the governments of Bolivia and the United States agree that the economic support will be used to benefit units of the Armed Forces that will be assigned to the counternarcotics fight.

For the Bolivian Army, the training and equipping of five battalions will be as follows: Two light infantry battalions for counternarcotics actions; one engineering battalion for civic actions; one transport battalion; and one services and logistics section.

The Bolivian Air Force will receive support for the maintenance of helicopters and C-130 planes, and it will be supplied with up to six UH-1H helicopters for the 51 Group—the Air Force's Red Devils Task Force Squadron that is based in Cochabamba.

It is also established that four C-130D planes will be provided and that a radar complex will be installed in the Chapare Region. A contract will be signed to equip up to 10 PC-7 airplanes and to repair six T-33 airplanes. Another contract will provide for the supply of up to 10 AT-33 planes.

It has also been agreed that a services and logistics section will be trained, as will an Air Force Military Police unit in company form for physical air security.

The Bolivian Navy will be supplied with three patrol boats of the Pirana type for the Blue Devils counternarcotics force that is based in Trinidad. An additional eight river patrol boats and a mother ship will also be provided.

It is also established that installations for repairing patrol boats and other equipment will be constructed in the port of Villaroel. A hospital ship and medical support for counternarcotics units will also be provided. A services and logistics section and a marine infantry company for river operations will be equipped and trained.

The professional or career personnel who receive U.S. financed training will serve in counternarcotics units for a period of no less than two years after concluding their training.

The Armed Forces will maintain links and coordination with the CONALID [National Council Against Drug Abuse and Illegal Drug Trafficking]. The exchange of liaison officers will be arranged through a joint combined intelligence center for Air Force, Navy, Army, and UMOPAR [Mobile Units for Rural Areas] personnel, together with their pertinent ministries.

The Armed Forces will center their counternarcotics actions on clandestine arsenals and airstrips, cocaine-processing laboratories, collection points, illegal chemicals, and on confiscating the assets of drug traffickers, vessels involved in drug trafficking, and other elements used by the Mafia.

Annex Three also includes civic action in areas that are affected by drug trafficking and in other areas that cooperate against drug trafficking.

The ministers provided detailed explanations of the extensive Annex Three. Gustavo Fernandez, minister of the presidency, insisted that the role of the Army will in principle be one of dissuading drug trafficking. The Armed Forces will exercise this role, he stated, against all threats to the country's security.

Moreover, answering a Panamericana reporter, he admitted that in the extreme case of a confrontation between the Army and drug traffickers in a conflictive region, the military units would confront the criminal groups.

[Begin Fernandez recording] Now, regarding the hypothesis that you have outlined, and I underline the word hypothesis because you are always asking what would happen in the case of confrontation. If the bands of drug traffickers overrun the police, then the participation of the Armed Forces would be fully justified in accordance with the Constitution and current laws.

We are [words indistinct] because, happily, Bolivia's experience in interdiction and eradication has demonstrated that they can be successful, much more successful than in other countries, and without the need to resort to violence. If we do not believe that it is not necessary to resort to police violence, then the hypothesis of direct military action is even more remote.

In any case, what the Bolivian Government wants to make clear is that Bolivia has become aware that if the eventuality occurs, then the Bolivian Armed Forces are fully prepared. [end recording]

Minister Gustavo Fernandez indicated that no other units will be trained unless drug trafficking escalates within the country.

Finally, he indicated that there are only a few U.S. military advisers in the country, and he denied reports that there are more than 100 members of the U.S. military in Bolivia.

Chile

PRC President Yang Arrives on Official Visit

PY2905182290 Santiago Domestic Service in Spanish 1100 GMT 29 May 90

[Text] PRC President Yang Shangkun has arrived in Chile on a visit that will end tomorrow.

President Yang was received at the Arturo Merino Benitez Airport by President Patricio Aylwin and most of the members of his cabinet.

After receiving protocol honors, the PRC president received the keys to the city of Santiago and was declared an illustrious guest during a ceremony in the VIP hall.

A written statement by Yang Shangkun was disseminated. In it President Yang voiced his pleasure in visiting Chile. He said: I wanted to take advantage of this opportunity to express to the Chilean people, who love peace, the cordial greetings and great respect of the Chinese people.

Yang then went on to point out that he sees with satisfaction the determination shown by the two countries to continue strengthening the friendship among their peoples and to step up their cooperation ties.

At this moment the PRC president is holding a protocol meeting with President Patricio Aylwin at La Moneda Palace.

Events Relating to Aylwin-Pinochet Meeting

Government Issues Communique

PY2905033890 Santiago Domestic Service in Spanish 2300 GMT 28 May 90

[Text] President Patricio Aylwin has asked Army Commander in Chief General Augusto Pinochet Ugarte some questions on how the institution will cooperate with the Truth and Reconciliation Commission. The Army commander expressed his reservations about the consequences that could result from that commission. The president also expressed his concern over the activities of the advisory committee of the Army commander in chief. These and other topics were discussed in the second formal meeting between President Aylwin and General Pinochet at La Moneda Palace.

General Augusto Pinochet arrived at La Moneda Palace minutes before 1600 this afternoon. The meeting lasted until 1705, when Pinochet left the palace through the underground driveway leading to Augustina Street.

After the meeting the government released a communique that was read by Secretary General of Government Enrique Correa:

[Begin Correa recording] At the request of the president of the Republic, Army Commander in Chief Augusto Pinochet reported to the president's office at 1600. During the meeting, which was attended by Defense Minister Patricio Rojas, the president mentioned to General Pinochet the political connotations of the declaration regarding the Truth and Reconciliation Commission issued by the office of the Army commander in chief on 25 May. He was also told that it was appropriate for the office of the Army commander in chief to say in what way the institution will cooperate with this commission, but it was not appropriate for it to discuss or question the convenience or opportuneness of decisions made by the president of the Republic in exercising his exclusive authority. [end recording]

The Army commander in chief then pointed out that the institution did not question the authority of the president of the Republic to create the Truth and Reconciliation Commission, although it has reservations about the consequences of that commission's work. At any rate, he voiced the Army's willingness to cooperate with the work of that commission within the framework of the Constitution and the law.

The secretary general of government continued to read the communique:

[Begin Correa recording] The president of the Republic then expressed to the Army commander in chief his concern about the activities of the advisory committee to the Army commander in chief, which is headed by Major General Jorge Ballerino. The president asked the Army commander in chief to submit a written report on the objectives, functions, tasks, and personnel of said advisory committee, as well as on the legal basis on which the committee was created. [end recording]

Secretary General of Government Enrique Correa also said that the president of the Republic asked the Army commander in chief to provide information on how the law mandating that the CNI [National Intelligence Center] be dissolved had been complied with, and to make available the records the CNI accumulated during the time of its legal existence so the government can prevent and repress terrorism.

After he finished reading the official communique on the Aylwin-Pinochet meeting, Correa said that he had no other information for the press.

Pinochet: Meeting 'Very Cordial'

PY2905162090 Santiago Domestic Service in Spanish 1100 GMT 29 May 90

[Text] Army Commander Captain General Augusto Pinochet Ugarte has labeled as very cordial and positive his meeting with President Patricio Aylwin.

Gen. Pinochet, who met with reporters as he was leaving Armed Forces headquarters, stated that the meeting with the president of the Republic had helped to clarify many doubts.

[Begin Recording] [Pinochet] The president wanted to discuss several subjects with me, among which was a communique issued by the Army. I believe he was misinformed that the communique criticized his power because the president has the power to issue the decrees he may deem convenient. This was never stated in the communique, and I told him so. Neither has the Army sought to create problems. As a consequence, the president said everything was in order because, the communique itself states that we are going to cooperate with the commission. The president understood that the only purpose of the communique was clarify the Army's opinion.

[Reporter] Will the Army cooperate with the Commission?

[Pinochet] I have already told you that it will cooperate in keeping with the Constitution and the law. That is all. We also discussed other subjects [words indistinct].

[Reporter] He also asked for cooperation regarding the National Intelligence Center [CNI].

[Pinochet] The president asked for cooperation because he is concerned over this outbreak of terrorism and subversive actions. I told him there was no problem, that we would cooperate. It was such a cordial meeting that the president has invited the Army Generals to a luncheon, on the 18th of June I believe. So as you can see, we had a perfectly normal meeting and there is no need to make such a fuss.

[Reporter] What can you say about the Army's relations with the current government?

[Pinochet] The relationship is normal between an institution and the president.

[Reporter] He also asked for information on the Advisory Committee headed by General Ballerino.

[Pinochet] That committee was created many years ago. All its papers are in order so we are going to send him the necessary documents.

[Reporter] How do you see the recent terrorist attacks?

[Pinochet] I do not see them [yo no los veo].

[Reporter] But what do you have to say about the attacks?

[Pinochet] I said I was not going to make any statement. I am leaving now, thank you very much.

[Recording] Are you satisfied with the meeting held with President Aylwin today?

[Pinochet] Why not? I am satisfied because it was very cordial and affectionate, as is the president. There were no problems. We discussed everything, so I do not see why you ask that question?

[Reporter] [Words indistinct] during the previous meeting with the president in La Moneda, did you discuss similar subjects?

[Pinochet] No. They were similar, but not the same. [Passage indistinct].

[Reporter] What about returning the CNI files?

[Pinochet] What files are you talking about. I do not have any, so what files are you talking about? [end recording]

Gen. Pinochet then got into his vehicle and left for his private residence.

Army Issues Communique

PY2905163890 Santiago Domestic Service in Spanish 1100 GMT 29 May 90

[Communique issued by the Chilean Army on meeting held by Army Commander Captain General Augusto Pinochet and President Patricio Aylwin at La Moneda Palace on 28 May]

[Text] Yesterday, Army Commander Captain General Augusto Pinochet Ugarte went to Government House in response to an invitation extended by the president of the Republic, Patricio Aylwin Azocar.

The following subjects, among others, were raised during the meeting with the chief of state:

1. Regarding the Army Communique on the meeting held by [Raul Rettig Guissen], president of the National Truth and Reconciliation Commission, and the chief of the Army Commander's Advisory Committee dated 25 May 1990, the Army commander informed the chief of state that the communique was not political as some people try to insinuate. Moreover, the content of the communique was previously disclosed to Rettig. The Army Commander also reiterated the Army's desire to cooperate with the Commission within the framework of the Constitution and laws, but voiced the Army's concern over the practical consequences of the Commission.

2. The chief of state asked about the organization and functioning of the Army Commander's Advisory Committee. The Army will supply the President with information on the subject shortly.

3. In addition, the chief of state voiced certain concern over the effective dismantling of the National Intelligence Center, a subject which was clarified during the course of the meeting.

The President also asked the Army for its maximum cooperation to prevent and fight terrorism. The commander in chief of the Army reasserted to the president that the institution will make its maximum contribution to achieving this objective.

4. The commander in chief of the Army complained that, although they were holding a private meeting, political demonstrations were being staged outside Government House.

5. Lastly, the Chilean Army wishes to point out that the meeting was held in an atmosphere of great cordiality and that, within that spirit, the president of the Republic invited the corps of Army generals to a meeting to be held within the next few days.

Reaction to Meeting Favorable

PY2905213090 Santiago Domestic Service in Spanish 1100 GMT 29 May 90

[Excerpts] Socialist Party General Secretary Jorge Arrate said that the incident prompted by the Army communique on the Truth and Reconciliation Commission was the result of a misunderstanding.

Arrate said that President Patricio Aylwin's decision to summon General Pinochet was positive. Arrate said that during the meeting the president clearly and firmly explained a doctrinal position on the Armed Forces-government relationship and the restrictions on Army actions in the political field. [passage omitted]

Andres Zaldivar, president of the Christian Democratic Party, said that although he believes that the National Intelligence Center [CNI] does not act as an organization, there is evidence that it is still active. He went on to say that there is information about a police force that does not exist but acts with weapons, controls people, and has tried to obtain information, among other irregular actions.

This, in Zaldivar's opinion, prompted the meeting that President Aylwin held with General Pinochet yesterday. [passage omitted]

Zaldivar also said that the statement by Beltran Urenda, vice president of the Senate, was positive. Yesterday, Urenda admitted that former CNI agents are involved in terrorism by stating that he believes terrorists are recruiting former CNI personnel to attack the citizenry. Zaldivar said this was an important statement because Urenda was a part of and actively supported the military government. [passage omitted]

Secretary General of Government Enrique Correa said that the Army's willingness to cooperate with the Truth and Reconciliation Commission is good news. [passage omitted]

The National Renewal Party [PR] and the Independent Democratic Union have termed positive the meeting held by President Aylwin and Gen. Pinochet. [passage omitted]

PR Secretary Andres Allamand referred to the meeting noting that the event prompted by the Army communique on the Rettig Commission has been overcome. He added that his party favors a less tense relationship between the Army and government, and he praised the Army's attitude despite its concern over the Truth and Reconciliation Commission. [passage omitted]

The political commission of the Communist Party of Chile [PCCh] has stated that it applauds the president's decision to point out to Gen. Augusto Pinochet the political nature of the activities being carried out by the Army leadership.

Through an official communique, the PCCh also voices its satisfaction over President Aylwin's request for information on the activities carried out by the Army commander's advisory committee and the dismantling of the CNI. [passage omitted]

Incident Involving Pinochet Being Investigated

PY2905191290 Santiago Television Nacional de Chile Network in Spanish 1800 GMT 29 May 90

[Text] Minister Secretary General of Government Enrique Correa has said that there will be an investigation to find out why the chain that protects the access to La Moneda Palace was not lifted upon General Augusto Pinochet's arrival yesterday.

[Begin Correa recording] Well, in the morning we gave all the necessary instructions to facilitate the entrance of the car in which the Army commander in chief was to have arrived. We even saw to it that those instructions were fulfilled in the afternoon. When we asked about the chain, we were told that the orders were actually complied with and that Gen. Pinochet's car encountered other difficulties while entering the Government House area.

We are investigating and we are gathering information. I assume the investigation will be carried out by the Interior Ministry. As soon as we have a conclusion on what happened we will report it. [end recording]

FPMR Claims Fontaine Murder Responsibility

PY2905172090 Buenos Aires DYN in Spanish 0102 GMT 29 May 90

[Text] Santiago, Mayo 28 (AFP)—The recent murder of Police Colonel Luis Fontaine on the streets of Santiago on 10 May was ordered by the autonomous faction of the FPMR [Manuel Rodriguez Patriotic Front], according to one of the most important leaders of the organization who granted an interview—from in hiding—to the weekly magazine PAGINA ABIERTA. The interview will be published in the 28 May issue of the magazine.

Fontaine, a former head of the DICOMCAR, a Carabinero's antisubversive department, was riddled with bullets by two youngsters in school uniforms just a few days after a court had acquitted him of the murder of a university student who was arrested and tortured by DICOMCAR agents in 1985.

The leftist FPMR's spokesman, who was identified as Carlos Montes, said that Col. Fontaine had been acquitted by a justice that participated as accomplice in crimes committed during President Augusto Pinochet's regime.

Fontaine had also been tried for kidnapping and cutting the throats of three leaders of the then-banned Communist party.

The inquiry into the triple homicide, which also involved other officers, closed without bringing charges against the accused. The case, however, provoked the resignation of General Cesar Mendoza, Carabineros director and government junta member, in what was one of the worst crises in Pinochet's government.

Peru

Garcia on Shining Path's 'Demoralization'

PY2705201090 Lima Television Peruana in Spanish 0100 GMT 27 May 90

[Text] President Alan Garcia has stressed that the Shining Path terrorists are losing the war and that they are experiencing a process of division, desertion, and demoralization after 10 years in which they have not

achieved anything, despite trying to impose their ideas through violence. He also said that this situation is reflected in the reduction of their terrorist acts thanks to the actions of the Peasant Defense Patrols, among other groups.

The chief of state made these remarks after evaluating the subversive phenomenon during a meeting with Interior Minister Agustin Mantilla and Defense Minister General Julio Velasquez Giacarini.

[Begin recording] [Garcia] Messrs. journalists, I have met with members of the Interior Ministry and with the defense minister to evaluate the volume of subversive acts during the past few days and months.

On the 10th anniversary of the armed subversion a pamphlet was made public that indicated a subversive faction's desire to abandon the armed struggle. We believe that we must not feel triumphant nor encourage false expectations. I do not personally believe in this withdrawal or that the subversives have abandoned the armed struggle.

I believe that the country should know that there are at this time serious problems and setbacks within the subversive organization and that the Peruvian society and state are decisively winning the war against subversion.

The subversive organization is experiencing desertion, demoralization, and division. There are clear events that the country cannot ignore. The first is that we have gone through two electoral processes that have strengthened democracy and the subversion has not been able to stop them. The second, related event is that the subversion has carried out armed action for 10 years and has not been able to achieve one of its objectives.

These factors encourage the process of demoralization and desertion that is currently taking place, according to all the concrete data we have been evaluating.

A few months ago I told the country that, in the beginning, the subversion proposed an overall social insurrection, an overall rebellion. It later abandoned that policy and limited itself to a series of isolated criminal actions.

But now the organization has a serious problem in terms of allegiance, desertion, and demoralization. It is important for the country to know that although we cannot assert that there has been a withdrawal from the armed struggle, we can surely say that there has been a substantial reduction.

According to our evaluation, it can be observed that there has been an approximately two-thirds reduction in members of subversive groups. There have also been reductions in their capabilities and quality of actions, and this has benefited Peruvian society, the state, and democracy.

The Peasant Defense Patrols have contributed decisively to all of this. They have been able to block the subversion's actions.

The transformation, the fall of the communist states, of the East bloc, has decisively helped against the subversion, which had proposed this type of revolution in Peru. The subversion has lost the pillars upon which it was based.

Following a three-hour evaluation of concrete data on recent psychological actions by current members of the Shining Path—of the actions and cells throughout the country—we have come to the conclusion that there are serious problems within the subversive organization. Although there may be more actions—it is quite certain that there will be isolated, criminal actions in an attempt to gain notoriety or for propaganda effects—the country, the state, and society are definitively winning the war against subversion.

[Unidentified reporter] Mr. President, is there a substantial number of Shining Path (?members)? Is it a high, large number?

[Garcia] No. The issue of numbers is important. The newspapers are reporting the truth and it must be said that this also helps to demoralize the subversives. The national media is adopting a position more and more against the subversives.

Although there are desertions in the emergency zones, what is important is the fact that recruiting is becoming more and more difficult for subversion and the Shining Path.

A few years ago the combat quality, the level of awareness, and the conviction of the terrorists used to be far superior to that of the men who are currently in the farmlands or the cities. Let me illustrate this with an example: In the past, after a clash between the Army and a Shining Path group, the terrorists were able to disperse and hide themselves in the towns. But lately the townspeople have not been allowing the terrorists to stay. A few days ago we observed how an Army patrol clashed with the same subversive group over four days and caused casualties. This would not have been possible a few years ago, when people in the towns were still afraid of the terrorists and pressured to hide them. This is a very important point. If you also take into consideration the media coverage of how the lower ranking terrorist groups are turning themselves in to the peasant patrols or to the Armed Forces, you will arrive at a clear conclusion: The terrorist groups are undergoing a process of desertion and demoralization after 10 years of having accomplished nothing.

[Reporter] What attitude should your government or the future government adopt in case the Shining Path puts down its weapons as an organization?

[Garcia] In that case I think that the most important thing would be to guarantee peace. If the Shining Path

withdrew completely and laid down its weapons—something I do not believe will happen—I think that such a situation must be taken advantage of and used to guarantee normalcy in the country. I think, however, that the fight will continue. I think the Shining Path's stubborn leadership and its capacity to coerce some social sectors will continue, but it will do so within the framework of a situation in which the state and organized society will be winning and hindering the Shining Path's possibilities of continuing.

I am sure that this government, and past ones as well, began through democracy to slowly asphyxiate this terrorist phenomena, which has so harmed our society.

[Reporter] Will there be special treatment for those who [words indistinct] in those areas?

[Garcia] Given the situation in the emergency zones, I think that they are being incorporated into democratic life and into some peasant patrols. I think that the formation of peasant patrols and civilian defense groups has been very important. Perhaps the terrorists were less willing to turn themselves in when only the Army or the National Police were fighting for the government. But when the peasant patrols and the townspeople began to organize themselves, the terrorists were affected more, and I think that is the current situation.

[Reporter] What is the situation with the terrorist cells in Lima?

[Garcia] According to information we have received from the Counterterrorism Division, there are still some organized terrorist cells which have not yet been detected and eliminated, but the recruitment of terrorists in the so-called people's schools has diminished considerably. That is the information we have received from the Counterterrorism Division. [end recording]

Further on Disintegration

PY2805145290 Buenos Aires DYN in Spanish 1850 GMT 27 May 90

[Text] Lima, 27 May (AFP)—A police spokesman said yesterday that the murder of 10 alleged dissidents of the pro-Maoist Shining Path terrorist organization in the past 72 hours in several locations of Peru has revealed the disagreements within the organization that could spark an internal war.

On 26 May an alleged Shining Path annihilation command killed 34 year old carpenter Pablo Jimenes Garcia in his home in Lima's Olivos district. The terrorists left a note on his body which read: "This is how the traitors die."

A spokesman for the Antiterrorist Directorate (Dircote) said that this murder and those of the two youths—whose surnames are Haro and Samaniego—in the Lima province of Canta on 24 May could be the beginning of a war among the factions of the Shining Path terrorist organization.

The regional police believe that the severed heads of two young men and a woman found at Tupac Amaru Park and at the market of Huancayo—200 km from Lima—on 25 May, possibly belong to dissidents of the Shining Path terrorist organization. The victims have not yet been identified.

The source said that on 24 May peasants found four headless bodies in the area of Pilcomayo, 10 km south of Huancayo. The heads were not found. The murderers left notes on the bodies which also read: "This is how the traitors die."

The police reported that on 26 May another Shining Path annihilation command hung with shoe strings Abilio Condor, 42, president of the Cunas Transport Company from Huancayo, in the district of Sicaya (Junin).

Condor, who had received death threats from the terrorists, had refused to contribute to the subversives.

It was also charged in Huancayo that on 24 May an allegedly Shining Path terrorist cell kidnapped soccer player Eduardo Zeta of the new professional soccer team for the central region.

According to witnesses two unidentified people forced Zeta into a car. The police have no information about his whereabouts.

These bloody events were followed by the dynamite attack against the residence of retired General Victor Silva Tuesta, former chief of the military household under President Garcia's Administration. The 26 May attack caused major damage but no casualties.

Fredemo Presents Government Program Guidelines

PY2805231890 Lima EL COMERCIO in Spanish 25 May 90 p A4

[Text] Mario Vargas Llosa, presidential candidate for Fredemo [Democratic Front], called on the people to think that on 10 June they may choose one of two options: either to let the country follow the same direction in which it has been led by its current leaders, or on the contrary, to change direction and to once and for all begin to implement the changes it needs.

Vargas Llosa said during a televised message: "In these elections we carry the banner of change. This is why we prepared a responsible program which is the clearest and most feasible way to reform our country and place it on the path to prosperity and justice for its people. Our program is designed to favor not those whose well being is already assured or who own many properties, but those poor Peruvians who currently are the majority. This program is designed to make the poor stop being poor, to give them more work and employment opportunities, and to give them better incomes and public services. This is a program that will allow them improve their standard of living."

Our political opponents—Vargas Llosa added—concentrated all their efforts on criticizing our program rather than preparing one of their own.

He recalled that the election campaign on the first voting round centered on the Fredemo government plan. Some candidates systematically dedicated themselves to distorting our program. They put in our mouths words we never mentioned. They said we would order firings en masse of public employees, that we would cut the free education system, that we would ignore labor stability, that we would privatize state companies to give them out to a few abusive businessmen. In a clear demonstration of hypocrisy and lack of political ethics, the opposition reached the extreme of showing on television a clip of an economic "shock" which constituted real images of visual terrorism.

Vargas Llosa said that the only objective of this anticampaign was to prevent real change in our country and to allow the truly conservative politicians who do not want anything to change in Peru to return to power or to continue governing through others.

"I want to refer to the proposals that were distorted by our opponents. I want some of the experts of our team to explain exactly what they proposed. Thus, you will be able to evaluate them by what they mean: a deep and radical effort to end discrimination, poverty, injustice, and to set the basis for modernization and the well being of all Peruvian families," Vargas Llosa said.

Economy—Raul Salazar

Raul Salazar, chief of Fredemo's economic team, refered to the seriousness of the economic crisis in which four out of five Peruvians are unemployed. He said that the objective of the Fredemo plan is to improve the Peruvian people's standard of living, beginning with the poor.

That is why the first thing that will be done is to curb the inflation within a year. Inflation is the cause of the drop in productivity, employement, and income. The objective is to reach a point in which the dollar exchange rate, bus fares, and gasoline and food prices will not increase.

He also said that the government will combat tax evaders, and it will force some to pay more; basic reforms will also be made to modernize the country and to recover its capacity of economic growth so as to create more better paid jobs. Finally he said that all the measures are aimed at strictly moralizing the administration of public funds.

Privatization of Enterprises—Luis Bustamante

In turn, Luis Bustamante Belaunde pointed out that 20 of the 161 state-run companies lose more than $2.5 billion a year, a sum that could feed 7 million Peruvians for a year, fix all the country's roads, or build 300,000 new houses.

He explained that privatization of state run enterprises means transfering them to more efficient producers, with fewer problems than the state. In the first place, privatization will make workers—whether they work for the privatized enterprise or any other state or private company—owners, who could pay for the purchase with the dividends of their shares or with part of their accumulated social benefits. In privatizing public service enterprises that supply electricity, water, or phone service, the users could be considered. He also said that depositers in state run banks or financial institutions could exchange their funds for shares, if they wished.

Bustamante added that "with the privatization, fresh investments of more than $22 billion and more than 40,000 new jobs should be created."

Better Education and More Education Funds—Leon Trahtemberg

Leon Trahtemberg affirmed that the free elementary and secondary school education offered by Fredemo will provide better education because each student will have a personal record, classrooms will be repaired, blackboards will be provided, lavoratories will be repaired or built if the school does not have one.

Third to fifth year high school students will be offered technical education that will qualify the graduate to hold a job, not precluding him from attending university if he wishes.

He said that education funds will be set up at each high school to help students from the third to the fifth year especially. These funds will come from contributions from the community, alumni, parents, the PAS [Social Support Program], companies, and international cooperation. These funds will be administered by the parents associations and school principals and teachers.

Trahtemberg emphasized: "We do not want to confuse parents on this matter. We want to make it clear that education will be free and that parents will not have to pay the state anything, nor will they pay monthly tuition in private schools."

Promote Employment—Victor Ferro

Victor Ferro, an expert in labor law, pointed out that Fredemo has not proposed wholesale dismissals of public servants; it just calls for them to be more efficient. Fredemo wants to eradicate corruption and to bring the number of public servants in line with the real needs.

He said that assistance will be provided for the creation of thousands of small enterprises by workers themselves. They will be export oriented, and to that end they will be able to count on qualified experts for their organization and management.

Moreover, the proposal "does not intend to modify the Constitution in this regard, but to guarantee acquired rights. We believe that job stability rules should be slightly modified, because this benefit cannot be inflexible and invariable in a way that only damages labor relations."

Ferro also mentioned the share of resources from the Social Support Program and from international cooperation that can be used to finance the small enterprises.

Agriculture—Javier Puiggros

Concerning the agricultural sector, market-priced dollars [dolar real] will be used for agricultural exports and nontraditional exports. Javier Puiggros said that market-priced dollars will also be used for food imports so that national producers are not harmed. "There will be no more subsidies for these imports," he emphasized, adding that "with fair prices, the sharecroppers and the cooperatives, the commune members [comuneros], and the farmers in the jungle will be able to earn money and pay better salaries both to their partners and to their payroll and seasonal workers."

Puiggros emphasized that, with a profitable agriculture, no one will sell or lose their plot since Fredemo guarantees that the past and large tracts will not be revived.

Puiggros reiterated that Fredemo will respect the free decision of the workers; namely, if they want to form cooperatives, plots, or to work individually. In this regard, they will receive their pertinent deed.

Social Support Program—Jaime Crosby

Elsewhere, Jaime Crosby explained the PAS, which has been especially designed to deal with poverty and which will be developed on two fronts: a) nutrition and health (preventive and curative); and b) employment.

An effort will be made to improve and increase food rations, supporting such institutions as the Catholic Church, Caritas, people's dining rooms, soup kitchens, mothers clubs, and the Glass of Milk [Vaso de Leche] program, among others. The PAS is designed to cover the nutritional requirements of a population of about 4 million people.

The PAS will implement a permanent service to 2,000 small clinics [postas medicas] nationwide. These small clinics are virtually in a state of neglect now. The people will gain access to at least 120 basic medicines. And the prevention of infectious diseases, through wide-scale vaccinations at the national level, will be improved. There will be a nutrition monitoring system.

Crosby indicated that the employment program will create a large number of new jobs with salaries similar to those of the civil construction workers. This will be done through more than 20,000 projects at a national level. These projects will be identified by the communities themselves.

Investments will total more than $1.65 billion. This money will come from donations and soft loans from international institutions and friendly countries and from the national contribution.

Crosby recalled that the PAS has begun to implement pilot projects at a national level and that 20 experimental projects are already under way.

To Think About the Alternative

Finally, Vargas Llosa hopes that this explanation will help the electorate on 10 June 1990 consider the alternative that we Peruvians have ahead of us: the continuance of the current situation, with the resultant poverty, unemployment, and violence, or an authentic change.

Vargas Llosa said: "We have already made our choice, and we have been working for two and a half years for the great change. We are sure that you will also choose it."

In conclusion Vargas Llosa announced that over the next few days Fredemo will publish, in the newspapers, the public investment projects that will be implemented in the first 100 days of government in the fields of education, health, road network infrastructure, as well as the PAS.

Fujimori Promises Limited 'Privatization'

PY2905214490 Buenos Aires DYN in Spanish 1650 GMT 29 May 90

[Text] Mexico City, 29 May (AFP)—In an interview with a Mexican radio station, independent presidential candidate Alberto Fujimori today said that, if he wins on 10 June, the petroleum, electric power, port, airport, and customs enterprises in Peru would remain in the hands of the state.

"We will seek to reduce the fiscal deficit, which is very high;" this will be done through the reorganization and not the privatization of the state-owned enterprises in order to make them profitable, Fujimori added for Radio Red.

Nevertheless, Fujimori pointed out that "many other enterprises" would indeed be privatized. He ruled out the implementation of a shock [preceding word in English] economic program because it cannot be implemented where there are "meager and miserable salaries."

The Peruvian Change 90 candidate, who, after surprisingly receiving 28 percent of the vote on 9 April, forcing a second electoral round, expressed confidence that he will win and argued that he is supported by "70 percent of Peruvians, who are under employed or unemployed."

"Those are the people who reacted and have not believed in Fredemo [Democratic Front]—which is supporting writer Mario Vargas Llosa—and, therefore, they have massively turned to the independent movement," Fujimori said.

The Change 90 candidate considered that the "Fujimori phenomenom" is the result of the people's rejection of the traditional politicians. He pointed out that, if he

wins, his government would include technicians advised by politicians and not the opposite.

Correction on Attempt to Form MRTA 'Army'

PY2505140790

The following correction pertains to the item headlined "Attempt To Form MRTA Army in Cuzco Thwarted," published in the 25 May Latin America DAILY REPORT, page 28:

Column one, make sourceline read: ...Lima EL COMERCIO in Spanish.... (correcting source)

Correction to Fujimori Wants Three Debates

PY2905203490

The following correction pertains to the item headlined "Fujimori Wants Three Debates; Causes 'Stir'," published in the 29 May Latin America DAILY REPORT, page 55:

Column two, make sourceline read:...PY2905000290 Buenos Aires DYN in Spanish.... (correcting source)

Column two, paragraph one, line one, make read: [Text] Lima, 28 May (AFP)—The agreed upon.... (supplying dateline)